

Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

The World's Daily Newspaper

Paris, Friday, December 26, 1997

No. 35,713

TODAY:
LEISURE
P. 6-8

A Stunned Oklahoma City Regroups

Nichols's Manslaughter Verdict Raises Cry: 'We'll Get Him Here'

By Rick Bragg
New York Times Service

OKLAHOMA CITY — Someday, the widows, widowers, orphans and wounded from the Oklahoma City bombing will wake to morning newspapers and television news programs that make no mention of Timothy McVeigh and Terry Nichols.

But now, because a federal jury in Denver was unconvinced that Mr. Nichols intended to kill anyone when he helped Mr. McVeigh build a 4,000-pound (1,820-kilogram) bomb, there is a growing sentiment among many of those victims that they are entitled to a fuller measure of justice and that getting it will be worth the additional months

and years of anguish that now appear to lie ahead.

The decision by the Denver jury, which on Tuesday convicted Mr. Nichols of conspiracy and involuntary manslaughter but cleared him of murder, sent many Oklahoma City residents to bed feeling cheated and has furthered a public cry for a state murder trial of both of the accused.

There is still a chance that the jury in Denver will impose a death penalty on Mr. Nichols for the conspiracy count. A federal judge ruled Wednesday that prosecutors could ask a jury next week to sentence Mr. Nichols in death, which apparently would be the first test of a three-year-old federal law that allows for the death penalty in a conspiracy

case without a murder conviction.

Noting that the U.S. Supreme Court had upheld the validity of "inconsistent" jury verdicts, the judge, Richard Matsch of Federal District Court in Denver, set the stage for a high-stakes battle beginning Monday in which prosecutors will present the jury with emotional testimony from relatives of many of the 168 people who were killed in the bombing of the Alfred P. Murrah Federal Building on April 19, 1995.

But many legal specialists say Mr. Nichols, having been found not guilty of murder in the federal trial in Denver, is unlikely to get the death penalty.

Boh Macy, the Oklahoma County

See VERDICT, Page 3



Terry Nichols was found guilty of conspiracy and manslaughter in Denver.

Seoul Enlists Japan For Help on Loans

Tokyo Pushes Banks as Korea Gets \$10 Billion in Early Aid

Compiled by Our Staff From Dispatches

TOKYO — Japanese officials pressured banks here Thursday to loosen the terms of loans to their South Korean counterparts to try to ease the financial crisis of the cash-starved Korean economy. The discussions followed a decision by the world's richest nations Wednesday to speed \$10 billion in emergency aid to Seoul.

Japanese banks hold the largest share of the \$100 billion in short-term foreign debt that South Korean banks must repay over the next year. Rolling over Japanese bank loans is a key to the stability of the Korean financial system, many economists say, but Japan's ailing banks are in the midst of a credit crunch and trying to cut back lending.

The governor of the Bank of Japan, Yasuo Matsuoka, "voiced strong expectations" that Japanese banks will "roll over their loans on a voluntary basis," Takashi Arai, executive director at the central bank, said after Mr. Matsuoka met with his counterpart at the Bank of Korea, Lee Kyung Shik.

On Wednesday, the world's leading industrialized nations and the International Monetary Fund announced, in a move orchestrated by President Bill Clinton's administration, that they would advance \$10 billion in aid to South Korea. Many economists saw the action as an acknowledgment that the \$60 billion rescue package announced three weeks ago had failed to ease Seoul's financial crisis.

Six top U.S. banks said Wednesday after a meeting at the Federal Reserve Bank of New York that they expected to comply with the request for the funds and would begin discussions soon with other institutions among South Korea's creditors.

The latest \$10 billion in aid represents a sharp turnaround for the U.S. position. As recently as last week, U.S. Treasury and IMF officials were adamantly declaring — publicly and privately — that there was no need to change the rescue package or provide funds any sooner than originally scheduled.

The package comprises \$2 billion from the IMF and \$8 billion from a group of wealthy nations including Japan, the United States and Germany. The money already had been promised to Seoul in the rescue plan, but the loans are being disbursed this month and in

early January, in a reversal of previous official insistence that South Korea would not need the loans until much later — and probably would not need them at all.

The new bailout plan represents a consensus within the financial establishment — the secretive, clubby world of finance ministers, the IMF and powerful private banks — that emergency steps were needed to prevent the South Korean banking crisis from be-

See KOREA, Page 13

A Renewal of Faith in Europe

Religious Belief Flourishes, But Not in Traditional Forms

By Charles Trueheart
Washington Post Service

VALENCIA, Spain — At end of winter every year, this corner of Europe is thronged for four days and nights of singing, dancing and firecracker-popping that climax in a fiery exorcism. The phenomenon — not Catholicism, exactly, but the distinctly local religion of the fallas — dates to the Middle Ages, but has never been so popular or elaborate as in the last couple of decades.

Priestless and only barely sacred, this faith is rooted in more than 400 "associations" that gather in mean neighborhood clubhouses — usually little more than a clutch of card tables in a local tavern. Throughout the year, hundreds of ornate and outrageous 75-foot-tall (23-meter) papier-mâché monuments — the fallas — are designed and built at huge time and expense. Then, on the appointed night, the fallas are set to the torch in massive bonfires of release and redemption.

As an indication of a community of faith, measured in participation, financial support, spirituality, tradition and sacred rite, a real church in Europe could do no better, and seldom does as well, as the fallas. "This is what I identify with, this is where my faith is," said Celedonio Toledo, a welder in the fallas club in the Valencia suburb of Masanasa. "If I weren't doing this, I wouldn't be doing anything religious at all."

Valencia's feast of the fallas, held in mid-March every year, is among a host of new ways Europeans are channeling the spiritual energy that science and state and a loss of religious memory have been unable to extinguish.

Late-century Europe can easily be called the most godless quarter on earth. That, in any case, has been the prevailing wisdom. But today, following the rest of the world, Europe is effervescent with new religiosity — be it imported from afar, recovered from old, or renewed in a contemporary idiom.

More than half of Europe's citizens still profess to be Roman Catholics, while nearly a third identify themselves as Protestants. Yet few attend church regularly — a century-old trend whose pace quickened in the social upheavals of the 1960s. The most obvious sign and most profound consequence has been the rumble to near extinction of the traditional parish church and the geographically based congregation that sustained it.

Many Europeans have ceased to belong to their religious institutions in any meaningful sense, but they have not abandoned — so far — many of their



CHRISTMAS BLESSING — Pope John Paul II speaking to the faithful Thursday. Page 2

deep-seated religious moorings," said Grace Davie, a sociologist of religion at the University of Exeter in England.

No one is certain just how large the new movements are; much of the religious ferment is happening on the margins of established religions. But signs of it can be found throughout the continent.

The Spaniards are creating a national patchwork of local, Christian-inspired but overtly secular religions. The French are sampling Buddhism and massing on pilgrimages to shrines of obscure saints. The Italians are returning to long-buried Catholic forms and ideals in communities of renewal. The British are modernizing their parish life and feeding a hunger for Bible study. The Swedes are reclaiming

See RELIGION, Page 5

U.S. to Maintain Force in Panama After Handover

Tentative Pact Allows for Base After Transfer of Canal in 1999

By Larry Rohter
New York Times Service

MIAMI — The United States and Panama have reached a tentative agreement that would permit American troops to remain in Panama after the United States relinquishes control of the Panama Canal in 1999, according to officials of both governments.

The accord calls for the establishment of a regional drug interdiction center at Howard Air Force Base, a U.S. installation in Panama that the United States is scheduled to hand over in two years.

Though Panamanian and other Latin American soldiers and police officers also would be deployed at the center, which would be under Panama's control, the agreement is essentially a fig leaf to enable the United States to stay on in Panama well into the 21st century, a Latin American diplomat said Wednesday.

For President Ernesto Perez Balladarez and the Democratic Revolutionary Party that he leads, the agreement, which is subject to approval by the Panamanian Congress, represents a stunning turnaround.

The party was founded by General Omar Torrijos, the nationalist strongman who negotiated the Panama Canal Treaties with President Jimmy Carter and argued that Panama would only become a fully sovereign country on the day U.S. troops finally left.

Exactly how many U.S. troops would continue to be stationed in Panama after 1999 remains unclear. The number is not likely to be known until the formal announcement of the agreement, which officials said could come as early as next week. But in the past, American and Panamanian officials have suggested that about 2,000 soldiers would be needed.

Under the canal treaties, signed in 1977, the United States is to hand over full control of the canal to the Panamanian government by Dec. 31, 1999.

As currently written, the treaties also require the United States to withdraw all its troops and give up all its military bases in the former Panama Canal Zone by that date. Under those pacts, the United States has been closing bases and withdrawing troops ever since American forces invaded Panama eight years ago this week to overthrow the military dictatorship of General Manuel

See PANAMA, Page 3



German Indicted By Israeli Court

Stephan Josef Smyrek, 26, a German, above, was indicted by an Israeli court Thursday on charges of planning a suicide attack in Israel on behalf of Hezbollah, the Lebanese guerrilla movement. Page 4.

How Yeltsin Sees Russia: A Bleak List of Problems

Document Depicts Weakened, Preoccupied Land

By David Hoffman
Washington Post Service

MOSCOW — President Boris Yeltsin has signed Russia's first post-Soviet national security "concept," a document that describes a badly weakened country in which the chief threats are internal economic chaos, ethnic and regional strains and polarization of Russian society.

The 37-page document, a copy of which was obtained by The Washington Post, offers a stark contrast to the global ambitions of the Soviet Union. It is largely inward-looking and acknowledges a host of domestic problems including efforts by criminals to infiltrate the government, the prospect that Russia may not hold together as a federation and concerns that many stretches of Russia's borders are unguarded.

It also calls on Russia to use its assets — such as its plentiful natural resources — to help establish the basic institutions of democracy and a market economy and support a large scientific base as a means of putting the country back on its feet.

The document also suggests that with its conventional military forces seriously weakened, Russia will rely on nuclear weapons if attacked. Officials said this year that the new concept basically repealed a pledge made by Mikhail Gorbachev, the last Soviet leader, not to be the first to use nuclear weapons. The United States has never made a no-first-use pledge.

Russia "reserves to itself the right to use all the means and powers it has in its possession, including nuclear weapons, if as a result of unleashing an armed aggression there will appear a threat to the very existence" of the state, the document says.

Mr. Yeltsin signed the national security concept Dec. 17 after lengthy debate and revisions, but it has not been made public. It is not clear whether the document will have any real impact on decision-making, but it offers a glimpse into the thinking of Russia's political leaders and policymakers.

Andrei Piontovsky, director of the Center for Strategic Studies, said Russian policy would continue to be determined by daily events or in response to crises rather than by theoretical documents. But he said the national security concept was a "realistic" and "quite reasonable" description of Russia's situation.

The Russian document acknowledges that Moscow's influence in the world has "considerably decreased."

It notes that Russia opposed the expansion of the North Atlantic Treaty Organization and that the expansion is proceeding anyway, and it says the multilateral organizations on which Russia relies, such as the United Nations, the Commonwealth of Independent States and the Organization for Security and Cooperation in Europe, "are still not very effective." The document says that

See RUSSIA, Page 5

AGENDA

Puddings So Thick They Could Explode?

The Associated Press

LONDON — Security officers at Manchester Airport have uncovered a new threat to public safety — the traditional English Christmas pudding.

Anybody who has ever overindulged in these intensely rich, dark suet puddings, oozing brandy and calories, will understand why the airport's X-ray scanners mistake them for Semtex plastic explosives in the baggage of innocent travelers.

Hundreds of British citizens traveling for the holidays were taking along the one ingredient of Christmas they could not leave behind — that aged and fragrant cannonball of flour, eggs, suet, dried

fruit and spices, just like grandmother used to make.

"The security system is designed to detect organic matter like Semtex, and Christmas puddings have an unusual density which alerts the system," an airport spokesman said Wednesday on the condition he not be identified.

So security officers have had to examine hundreds of bags before allowing them onto aircraft.

"The system is simply doing its job and doing it extremely well," the spokesman said.

"It isn't causing any inconvenience or delays to passengers," he added.

Algeria's Governing Party Leads in Upper-House Vote

PAGE TWO

A Business Meeting in the Malaysian Jungle

THE AMERICAS

Mexican Christmas in Mourning

Page 3.

Books

Page 9.

Crossword

Page 14.

Opinion

Pages 6.

Sports

Pages 14-15.

The IHT on-line: www.ihnt.com



ARREST IN ZAMBIA — Kenneth Kaunda, the former president, peering out of a police vehicle as he was taken to prison. Page 7

How Nosy Can a Person Get? Private Spy Satellite Up and Running

By William J. Broad
New York Times Service

NEW YORK — The world's first civilian spy satellite has been fired into space, introducing an era when anyone with a credit card can peer down on the globe to view secret military bases or the backyards of neighbors with high fences.

The launching ends a monopoly that the governments of advanced nations have held for nearly four decades on spying from space.

The commercial spy craft was built by EarthWatch Inc. of Longmont, Colorado, and was

launched Wednesday from Russia atop a Russian commercial rocket.

Rivaling military satellites in the power of its cameras and the sharpness of its photographs, the satellite, known as EarlyBird 1, is designed to see features on the ground as small as 3 meters long: cars, trucks, buildings, roads and bridges, for example. Future satellites are expected to have even sharper vision.

"The people of the world will soon have easy and inexpensive access to the most refined representation of our planet ever assembled," the president of the company, Donovan Hicks, said.

EarthWatch said that customers were lining up to buy images, ordering them via its Internet site, at www.digitalglobe.com. Bob Wientzen, a company spokesman, said customers would pay \$300 to \$725 an image, depending on whether it came from an EarthWatch archive or was acquired specially for the customer.

Although in a few isolated instances some governments have sold old images made by military satellites, no civilian satellite has ever before been able to see such small objects on the ground.

While the new craft poses knotty security and privacy questions that may take years to resolve,

their builders tend to play down such issues and instead point to the benefit for such activities as cartography, law enforcement, oil exploration, disaster relief and urban planning.

Public-interest groups hope to use the photos to monitor arms control treaties and to police the world's intelligence services. Foreign governments that cannot afford their own satellite systems are also expected to be customers.

The federal rules under which American companies were granted licenses for the new class of spy

See SPY, Page 3

Newsstand Prices	
Andorra	10.00 FF Lebanon
Arabs	12.50 FF Morocco
Cameroon	1.600 CFA Qatar
Egypt	5.50 FF Reunion
France	10.00 FF Saudi Arabia
Gabon	1.100 CFA Senegal
Italy	2.800 Lire Spain
Ivory Coast	1.250 CFA Tunisia
Jordan	1.250 JD U.A.E.
Kuwait	700 Fils U.S. M.L. (Eur.)



Revitalizing Workers / Companies Teach Career Skills in the Bush

Malaysian Business: It's a Jungle Out There

By Thomas Fuller
International Herald Tribune

LUMUT, Malaysia — After spending the night crouched in her underwear beneath a leaky makeshift tent, Norita Mohamed Noh, a manager at Malaysia's highest telephone company, was ready to leave the jungle.

Mrs. Norita had spent three days alone in a small clearing with a strict ration of biscuits and rice, a handful of matches and a few warnings about the nearby monkeys always eager for a snack. When it started to rain heavily, she removed her pants and tucked them into a bag to keep them dry.

"The worst part was not having a shower," Mrs. Norita told a visitor as she gathered her belongings.

Every year, Telekom Malaysia, Mrs. Norita's employer, sends nearly 100 managers, technicians and secretaries into the jungle for a program that company officials say "revitalizes" staff members.

That may be putting it nicely.

Mrs. Norita, who is in charge of setting up Telekom Malaysia's video-on-demand program, spent a good deal of her time worrying about bugs — and they were not computer bugs. They were mosquitoes and centipedes and what she described as "10 different species of giant ants."

Before she set off for the jungle, instructors confiscated her cellular phone, watch, flashlight, pocketknife and books. She was allowed paper and pen, however, and when the ink ran out, she used a smuggled eyebrow pencil to jot down thoughts.

WHAT DOES jungle survival have to do with video on demand? Not much on a day-to-day basis, personnel managers from companies involved concede. But Arbaeayah Yahya, a consultant in Telekom Malaysia's personnel department, said the programs helped



Mark Follender/The International Herald Tribune

"We want our people to be rugged" — a participant in the course after spending three nights in the Malaysian jungle.

foster "personal growth" among employees and created team spirit in a far-flung company. The programs also help the company identify leaders, Mrs. Arbaeayah said, adding that every employee was expected at some point to go through a similar program.

"We want our people to be rugged and not just to sit behind a desk," she said. Telekom Malaysia is just one of dozens of large Malaysian corporations that have been sending employees outdoors on similar courses. Outward Bound, the British-based organization that organized Telekom's program, lists 34 mostly blue-chip companies that participate in the program.

"Traditionally, many Asians considered outdoor activities as a waste of time — a missed opportunity to make

money," said Steven Pan, a retired Malaysian military officer and head of the Outward Bound program here. But these days, he said, "the outdoors industry is growing very fast."

A main reason that companies send employees to outdoor courses is the long term, Mr. Pan said. By showing employees they are interested in their personal development, companies can instill a sense of loyalty in them, he said.

For Malaysian companies, retaining staff is crucial. Even amid an economic downturn, the country is suffering from a severe labor shortage. "You get the people you want as early as you can, and then you spend a lot of time training them and hope they will stay a long time," Mr. Pan said.

Getting people "early" can sometimes mean before they attend a university. Mr. Pan said several companies scouted for managers at the high school level, brought them to an outdoor course and then paid for their university education on condition that they work for the company after they graduate.

Managers who are chosen young often can rise to top positions rapidly. Joan Lim-Choon, 33, is a general manager of a hospital in Kuala Lumpur, in charge of more than 200 people. Mrs. Lim-Choon and a dozen fellow junior executives from Johor Corp., a Malaysian conglomerate, are taking part in a 10-day course offering more traditional team-building exercises, such as rock climbing and rope courses. The schedule includes a two-day kayaking trip and trekking in the jungle.

"They gave us a map and a compass and left us there," said Mrs. Lim-Choon. "It was horrible. Eight hours in the jungle."

SHE AND HER group are instructed by a former drill sergeant who peppers his speech with phrases like "A ship is not built in a harbor — it's built to sail at sea" and "Only the strong survive." Pacing in front of the seated junior executives, the former drill sergeant fires questions.

"How many bags did you come here with?" he asks.

"Two," offers an executive dressed in a sweat-soaked T-shirt and shorts.

"Wrong. It was three. One was your attitude. Throw that one overboard." If this type of interrogation and solo nights in the jungle with the insects and monkeys seem to make a strange way to instill corporate loyalty in junior executives, personnel managers say, employees tend to see the gain over the pain once the course is finished.

"After they come back, they tell us that they have no regrets," Mrs. Arbaeayah said.

Russian Rocket Fails During Satellite Launch

Malfunction Deviates Chinese Device's Orbit, Raising Fears of Crash to Earth, Experts say

Reuters

MOSCOW — A satellite owned by Asia Satellite Telecommunications Holdings Ltd. and launched by Russia on Thursday deviated from its planned route into orbit, a spokesman for the Russian space center said.

Experts differed over the possibility of the satellite's falling to Earth.

Konstantin Lantsov, a spokesman for the Kharunchev Space Center, said AsiaSat 3 might fall in several months.

The Moscow-based space center is the maker of the Proton booster, which took the AsiaSat 3 communications satellite into space for Asia Satellite Telecommunications of Hong Kong.

Mr. Lantsov said the satellite would circle the earth for the next few months, losing altitude until several of its parts fell to Earth.

"Not all parts will burn in Earth's atmosphere," he said.

But Asia Satellite Telecommunications' deputy chief executive officer, Bill Wade, said the troubled satellite would not plunge back to earth.

"No, it's well beyond the earth's atmosphere. There's no possible way it can come back to earth," Mr. Wade said.

He said the company was investigating what appeared to have been an anomaly in the final stage of the launch of AsiaSat 3, which took off early Thursday from the Baikonur cosmodrome in Kazakhstan.

The 2,534 kilogram (5,586 pound) satellite was made by Hughes Electronics Corp., a unit of General Motors Corp., to provide television coverage and telecommunications services to 50 countries throughout Asia, the Middle East and the Commonwealth of Independent States.

The satellite is carrying 28 C-band and 16 Ku-band transponders. Satellite Telecommunications said.

Its C-band footprint was designed to provide extensive geographical reach while its Ku-band coverage comprised

two fixed beams covering South Asia and East Asia, as well as an in-orbit steerable beam.

The satellite was supposed to be positioned at 105.5 degrees east longitude, the present orbital location of AsiaSat 1, which reaches more than 220 million people across the Asia-Pacific.

On Tuesday, Russia postponed the launch of AsiaSat 3 because of bad weather — an unprecedented move undercutting the launch's value to Moscow.

In Soviet times, satellites were launched in line with directives from Moscow regardless of any risks posed by bad weather. But two years ago, Russia began offering commercial services to foreign clients.

Space experts say Moscow charges around \$70 million for each launch.

Peter Jackson, Asia Satellite Telecommunications' coordinator, said at the time his company welcomed the decision to postpone.

"Safety is a very important factor in this situation," Mr. Jackson said.

Russian news agencies said the satellite was launched at 2:19 A.M. on Thursday, carried by a Proton booster rocket.

After six hours and 20 minutes of flight the satellite lost its orbit when the engine of the last stage of the booster suddenly switched off.

"The engine has been working only one second instead of 110 seconds," Mr. Lantsov said.

The satellite separated from the failed block but deviated into a wrong orbit.

Mr. Lantsov said both Proton and AsiaSat 3 were insured.

The space center has made seven commercial launches using heavy Proton-K boosters and Mr. Lantsov said the company would suspend further launches pending an investigation into Thursday's incident.

Pope to Visit Assisi to See Quake Victims

The Associated Press

VATICAN CITY — Pope John Paul II offered Christmas solidarity Thursday to refugees, the homeless and the jobless and announced that he would visit the central Italian town of Assisi next week to comfort earthquake victims.

His voice sounding weary after a nearly two-hour midnight Mass, the Pope emerged at noon on the central balcony of St. Peter's Basilica to greet tens of thousands of pilgrims, tourists and Romans assembled for his traditional *Urbi et Orbi* (Latin for "To the City and the World") Christmas message.

Because of his frail health, the Pope no longer leads the main midmorning Christmas Day Mass in St. Peter's Basilica.

But his announcement that

he would go Jan. 3 to the St. Francis Basilica in Assisi, which was devastated by earthquakes Sept. 26, and to another town in that area appeared aimed at deflecting speculation that the Pope was slowing down.

The one-day trip to the Umbria and Marche regions in the central Apennine mountains, where thousands of people whose homes were destroyed are still living in tents and trailers, will come 18 days before he takes off on the first papal trip to Cuba.

In his message, the pontiff said: "Today, a day of joy for all, a day filled with so many calls for peace and brotherhood, more intense and sharp become the imploring cries of peoples who long for freedom and harmony, in situations of disturbing ethnic and political violence."

"Today there appear more tragic to us the sufferings of peoples fleeing to the mountains of their own land or seeking a safe haven on the

coasts of neighboring countries in order to pursue the faint hope of a less precarious and more secure existence," the Pope said.

In contrast to past years, he did not specify any region or countries by name in the message. But the reference to mountains appeared to be recalling those who had fled ethnic bloodshed in central Africa, and the mention of "coasts of neighboring countries" was considered a clear reference to Italy, which has sent back nearly all the 17,000 Albanians who sailed across the Adriatic this year to escape anarchy in their homeland.

He also recalled the "tense silence of the ever-growing multitude of the new poor: men and women without work and without shelter, infants and children injured and violated, adolescents enlisted in the wars of adults, young victims of drugs or attracted by deceptive myths."

Reading his list of Christmas greetings in dozens of

languages, the Pope began in Italian, announcing that he was making the trip to visit earthquake victims as a "sign of affection and solidarity."

The Pope will pray on the tomb of St. Francis in Assisi's main basilica, a Vatican spokesman said, and stop in the small hill town of Assisi.

Yule Returns to Cuba
Cardinal Jaime Ortega of Cuba welcomed the first publicly observed Christmas holiday on the island in 28 years, calling it "important for society," Reuters reported from Havana.

President Fidel Castro announced 10 days ago that he was restoring Dec. 25 as a holiday this year as a one-time gesture to honor the visit of the Pope from Jan. 21 to 25.

Christmas was dropped as a holiday in 1969 as Cuba, then firmly embarked on a Communist course 10 years after Mr. Castro's revolution, strove to produce a record sugar harvest.

TRAVEL UPDATE

Aliens Must Observe Ramadan, Saudis Say

RIYADH (AP) — In a crackdown, foreigners eating, drinking or smoking in public in Saudi Arabia during the Muslim fasting month of Ramadan risk deportation, an Interior Ministry statement said Wednesday.

The statement said violators faced termination of employment and expulsion. Saudi Arabia has a population of 18 million, including 6 million foreigners. There are about 4.3 million legal foreign workers.

Gales Batter Britain

LONDON (AP) — Gales battered much of Britain and Ireland on Wednesday and early Thursday, toppling trees, closing roads and leaving tens of thousands of homes without electricity on Christmas Day. Three people were killed in Britain and one in Ireland.

In Britain, winds gusting up to 90 miles per hour (145 kilometers per hour) took their heaviest toll in northwest England, north Wales and Northern Ireland. In Ireland, winds sweeping in from the Atlantic hit the southwest with gusts of more than 100 miles per hour.

At least 108 people have died in the past two weeks as a result of a cholera epidemic sweeping Uganda, a health ministry official said. (AP)

The mausoleum housing the embalmed corpse of Mao will reopen Jan. 6, after being closed for nine months for repair work, the official Xinhua press agency reported. (AFP)

Correction

A map of Israel in the Dec. 23 issue reversed the locations of Netivot and Ofatim. Kiryat should have been labeled Kiryat Gat.

WEATHER

Forecast for Saturday through Monday, as provided by AccuWeather.

Europe
Paris: 44-50, 4-10, 12-18, 15-20, 18-25, 21-26, 24-29, 27-32, 30-35, 33-38, 36-41, 39-44, 42-47, 45-50, 48-53, 51-56, 54-59, 57-62, 60-65, 63-68, 66-71, 69-74, 72-77, 75-80, 78-83, 81-86, 84-89, 87-92, 90-95, 93-98, 96-101, 99-104, 102-107, 105-110, 108-113, 111-116, 114-119, 117-122, 120-125, 123-128, 126-131, 129-134, 132-137, 135-140, 138-143, 141-146, 144-149, 147-152, 150-155, 153-158, 156-161, 159-164, 162-167, 165-170, 163-168, 166-171, 169-174, 172-177, 175-180, 173-178, 176-181, 179-184, 182-187, 180-185, 183-188, 186-191, 184-189, 187-192, 190-195, 188-193, 191-196, 194-199, 197-202, 195-200, 198-203, 201-206, 204-209, 207-212, 205-210, 208-213, 211-216, 214-219, 217-222, 215-220, 218-223, 221-226, 224-229, 227-232, 225-230, 228-233, 231-236, 234-239, 237-242, 235-240, 238-243, 241-246, 244-249, 247-252, 245-250, 248-253, 251-256, 254-259, 257-262, 255-260, 258-263, 261-266, 264-269, 267-272, 265-270, 268-273, 271-276, 274-279, 277-282, 275-280, 278-283, 281-286, 284-289, 287-292, 285-290, 288-293, 291-296, 294-299, 297-302, 295-300, 298-303, 301-306, 304-309, 307-312, 305-310, 308-313, 311-316, 314-319, 317-322, 315-320, 318-323, 321-326, 324-329, 327-332, 325-330, 328-333, 331-336, 334-339, 337-342, 335-340, 338-343, 341-346, 344-349, 347-352, 345-350, 348-353, 351-356, 354-359, 357-362, 355-360, 358-363, 361-366, 364-369, 367-372, 365-370, 368-373, 371-376, 374-379, 377-382, 375-380, 378-383, 381-386, 384-389, 387-392, 385-390, 388-393, 391-396, 394-399, 397-402, 395-400, 398-403, 401-406, 404-409, 407-412, 405-410, 408-413, 411-416, 414-419, 417-422, 415-420, 418-423, 421-426, 424-429, 427-432, 425-430, 428-433, 431-436, 434-439, 437-442, 435-440, 438-443, 441-446, 444-449, 447-452, 445-450, 448-453, 451-456, 454-459, 457-462, 455-460, 458-463, 461-466, 464-469, 467-472, 465-470, 468-473, 471-476, 474-479, 477-482, 475-480, 478-483, 481-486, 484-489, 487-492, 485-490, 488-493, 491-496, 494-499, 497-502, 495-500, 498-503, 501-506, 504-509, 507-512, 505-510, 508-513, 511-516, 514-519, 517-522, 515-520, 518-523, 521-526, 524-529, 527-532, 525-530, 528-533, 531-536, 534-539, 537-542, 535-540, 538-543, 541-546, 544-549, 547-552, 545-550, 548-553, 551-556, 554-559, 557-562, 555-560, 558-563, 561-566, 564-569, 567-572, 565-570, 568-573, 571-576, 574-579, 577-582, 575-580, 578-583, 581-586, 584-589, 587-592, 585-590, 588-593, 591-596, 594-599, 597-602, 595-600, 598-603, 601-606, 604-609, 607-612, 605-610, 608-613, 611-616, 614-619, 617-622, 615-620, 618-623, 621-626, 624-629, 627-632, 625-630, 628-633, 631-636, 634-639, 637-642, 635-640, 638-643, 641-646, 644-649, 647-652, 645-650, 648-653, 651-656, 654-659, 657-662, 655-660, 658-663, 661-666, 664-669, 667-672, 665-670, 668-673, 671-676, 674-679, 677-682, 675-680, 678-683, 681-686, 684-689, 687-692, 685-690, 688-693, 691-696, 694-699, 697-702, 695-700, 698-703, 701-706, 704-709, 707-712, 705-710, 708-713, 711-716, 714-719, 717-722, 715-720, 718-723, 721-726, 724-729, 727-732, 725-730, 728-733, 731-736, 734-739, 737-742, 735-740, 738-743, 741-746, 744-749, 747-752, 745-750, 748-753, 751-756, 754-759, 757-762, 755-760, 758-763, 761-766, 764-769, 767-772, 765-770, 768-773, 771-776, 774-779, 777-782, 775-780, 778-783, 781-786, 784-789, 787-792, 785-790, 788-793, 791-796, 794-799, 797-802, 795-800, 798-803, 801-806, 804-809, 807-812, 805-810, 808-813, 811-816, 814-819, 817-822, 815-820, 818-823, 821-826, 824-829, 827-832, 825-830, 828-833, 831-836, 834-839, 837-842, 835-840, 838-843, 841-846, 844-849, 847-852, 845-850, 848-853, 851-856, 854-859, 857-862, 855-860, 858-863, 861-866, 864-869, 867-872, 865-870, 868-873, 871-876, 874-879, 877-882, 875-880, 878-883, 881-886, 884-889, 887-892, 885-890, 888-893, 891-896, 894-899, 897-902, 895-900, 898-903, 901-906, 904-909, 907-912, 905-910, 908-913, 911-916, 914-919, 917-922, 915-920, 918-923, 921-926, 924-929, 927-932, 925-930, 928-933, 931-936, 934-939, 937-942, 935-940, 938-943, 941-946, 944-949, 947-952, 945-950, 948-953, 951-956, 954-959, 957-962, 955-960, 958-963, 961-966, 964-969, 967-972, 965-970, 968-973, 971-976, 974-979, 977-982, 975-980, 978-983, 981-986, 984-989, 987-992, 985-990, 988-993, 991-996, 994-999, 997-1002, 995-1000, 998-1003, 1001-1006, 1004-1009, 1007-1012, 1005-1010, 1008-1013, 1011-1016, 1014-1019, 1017-1022, 1015-1020, 1018-1023, 1021-1026, 1024-1029, 1027-1032, 1025-1030, 1028-1033, 1031-1036, 1034-1039, 1037-1042, 1035-1040, 1038-1043, 1041-1046, 1044-1049, 1047-1052, 1045-1050, 1048-1053, 1051-1056, 1054-1059, 1057-1062, 1055-1060, 1058-1063, 1061-1066, 1064-1069, 1067-1072, 1065-1070, 1068-1073, 1071-1076, 1074-1079, 1077-1082, 1075-1080, 1078-1083, 1081-1086, 1084-1089, 1087-1092, 1085-1090, 1088-1093, 1091-1096, 1094-1099, 1097-1102, 1095-1100, 1098-1103, 1101-1106, 1104-1109, 1107-1112, 1105-1110, 1108-1113, 1111-1116, 1114-1119, 1117-1122, 1115-1120, 1118-1123, 1121-1126, 1124-1129, 1127-1132, 1125-1130, 1128-1133, 1131-1136, 1134-1139, 1137-1142, 1135-1140, 1138-1143, 1141-1146, 1144-1149, 1147-1152, 1145-1150, 1148-1153, 1151-1156, 1154-1159, 1157-1162, 1155-1160, 1158-1163, 1161-1166, 1164-1169, 1167-1172, 1165-1170, 1168-1173, 1171-1176, 1174-1179, 1177-1182, 1175-1180, 1178-1183, 1181-1186, 1184-1189, 1187-1192, 1185-1190, 1188-1193, 1191-1196, 1194-1199, 1197-1202, 1195-1200, 1198-1203, 1201-1206, 1204-1209, 1207-1212, 1205-1210, 1208-1213, 1211-1216, 1214-1219, 1217-1222, 1215-1220, 1218-1223, 1221-1226, 1224-1229, 1227-1232, 1225-1230, 1228-1233, 1231-1236, 1234-1239, 1237-1242, 1235-1240, 1238-1243, 1241-1246, 1244-1249, 1247-1252, 1245-1250, 1248-1253, 1251-1256, 1254-1259, 1257-1262, 1255-1260, 1258-1263, 1261-1266, 1264-1269, 1267-1272, 1265-1270, 1268-1273, 1271-1276, 1274-1279, 1277-1282, 1275-1280, 1278-1283, 1281-1286, 1284-1289, 1287-1292, 1285-1290, 1288-1293, 1291-1296, 1294-1299, 1297-1302, 1295-1300, 1298-1303, 1301-1306, 1304-1309, 1307-1312, 1305-1310, 1308-1313, 1311-1316, 1314-1319, 1317-1322, 1315-1320, 1318-1323, 1321-1326, 1324-1329, 1327-1332, 1325-1330, 1328-1333, 1331-1336, 1334-1339, 1337-1342, 1335-1340, 1338-1343, 1341-1346, 1344-1349, 1347-1352, 1345-1350, 1348-1353, 1351-1356, 1354-1359, 1357-1362, 1355-1360, 1358-1363, 1361-1366, 1364-1369, 1367-1372, 1365-1370, 1368-1373, 1371-1376, 1374-1379, 1377-1382, 1375-1380, 1378-1383, 1

THE AMERICAS

Mexican Village Spends Christmas Mourning Its Dead After Massacre

By John Ward Anderson
Washington Post Service

ACTEAL, Mexico — Mario Perez Cura and the other 600 peasants who live in this remote village in southern Mexico usually celebrate Christmas with a play about the Virgin Mary, a reading from the Scriptures and a community feast with music and roasted chicken. But this year things are different. The town is surrounded by heavily armed police and army troops. The villagers are living in community shelters a few miles away. Instead of celebrating the holiday, they were making funeral wreaths and burial arrangements for 45 friends and relatives shot and slashed to death Monday in the latest outburst of violence to hit Mexico's strife-torn state of Chiapas.

They wanted to kill the Zapatistas and civil society. Then they will be happy. The massacre was the worst loss of life in this troubled state since 135 people were killed during a 12-day uprising by the Zapatista National Liberation Army that began in January 1994. [On Wednesday, according to Mexican news reports, federal officials detained 16 people, all of them Indians from villages near Acteal, in connection with the attack, including one man accused of leading the killing spree. The Associated Press reported.] [The detentions, which were not confirmed, followed an accusation by the military leader of the Zapatistas, Subcomandante Marcos, that the attack had been fostered by the long-governing Institutional Revolutionary Party.] Acteal residents said the killings were not the result of a clash involving Zapatista rebels and government authorities. But they described a social, religious and political tension in their town that has its roots in the unrest sparked by the Zapatistas when they launched their New Year's Day rebellion.

That rebellion, harking back to the Zapatista uprising by farmers early in the century, was organized to dramatize demands for greater rights for the indigenous people of Chiapas, many of whom are Mayan Indians. Political analysts said the killings Monday of unarmed townspeople should act as an impetus to renew peace talks that stalled 15 months ago when Zapatista negotiators left the table, complaining that the government was not implementing partial accords on indigenous rights reached in February 1996. Social workers and human-rights activists say that rural violence here has been dramatically rising in recent years, feeding off a volatile mix of political, economic, religious, social and familial conflicts, many of which pre-date the Zapatista movement. But new factors have complicated the situation further and raised tensions. These include the arming of peasant rebels under the Zapatista flag, an influx of army troops brought in to control the rebellion, increased allegations of human-rights violations, a rise in popularity of the leftist Democratic Rev-

olutionary Party, and the gradual decline of the Institutional Revolutionary Party, the party of President Ernesto Zedillo and the governor of Chiapas. Many violent acts allegedly are being committed by armed groups aligned to local officials of the PRI, which analysts say is reluctant to relinquish the power that the party has enjoyed in seven decades of uninterrupted rule. It remains unclear what precipitated the massacre Monday. In any case, officials said 21 women, 14 children, one infant and nine men were shot or hacked to death by up to 100 armed men who began attacking shortly after a 9 A.M. church service and continued for at least nine hours. A report released Wednesday by Physicians for Human Rights, which recently sent a delegation to the region surrounding Acteal, said the area had "witnessed strong electoral success by political candidates sympathetic to the Zapatista social agenda." The report said that the results had "severely shaken the ruling regional elite," spawning the emergence of paramilitary groups to bolster the status quo.



A Mayan Indian filing past caskets of murdered villagers at a service.

Fat in Some Men's Diets Seems to Cut Stroke Risk

Heart Study's Data Are Called 'Intriguing'

By David Brown
Washington Post Service

WASHINGTON — A diet high in fat may lower men's risk of having some types of stroke, a study suggests. The findings run counter to the dominant public impression — and some medical evidence — that low-fat diets protect against stroke. The conclusion is based on a one-day "snapshot" of diets of a group of men. Whether the information accurately reflects the men's food intake over years and decades is uncertain. Nevertheless, the data's pedigree is impressive — the Framingham Heart Study, which over the past 50 years has probably been the most important source of information on cardiovascular disease in the United States. The study is published in the current Journal of the American Medical Association. Its main author readily acknowledged that the findings were far from definitive and likely to be controversial. "This is one study with intriguing results," said its lead author, Matthew Gillman, an associate professor at Harvard Medical School and a physician with Harvard Pilgrim Health Care. "It raises scientific issues but it is not enough to recommend that people change their diets. We would sure like to see other studies in other populations." The Framingham Heart Study, named for a town 20 miles west of Boston, enrolled 5,209 men and women in 1948. Every two years, the subjects were examined and queried about their habits and lifestyles. In the round of exams between 1966 and 1969, the 865 men in the study who were between the ages of 45 and 65 were asked to describe what they had eaten in the previous day. In the study just published, Mr. Gillman and his colleagues looked at the relationship, if any, between what the men reported then and who among them had suffered strokes in the ensuing 20 years. In particular, they looked at so-called ischemic strokes, which are caused by blocked blood vessels, as opposed to those caused by burst blood vessels. As a group, the men got 39 percent of their total dietary calories from fat. (The average figure for American men is 34 percent today and has been steadily fall-

ing since the mid-1960s.) The researchers divided the Framingham men into five groups based on fat consumption. The men with the smallest amount of fat in their diets — about 26 percent of total calories — had the highest tendency to suffer ischemic strokes, a rate equivalent to 137 strokes per 1,000 people. The group with the second-leanest diet, which had about 35 percent of its calories from fat, had the equivalent of 96 strokes per 1,000 people. The stroke rates for the three groups of men with the most fat in their diets (ranging from 40 percent to 51 percent of calories) were roughly the same — about 66 per 1,000 people. The general link between higher-fat diets and fewer strokes held even when the characteristics of the five groups of men were statistically adjusted for differences in high blood pressure, smoking, obesity and other risk factors for cardiovascular disease. Although the researchers did not report the relationship between dietary fat and total mortality in the group, they said there was no evidence that the men eating high-fat diets were avoiding strokes because they were dying at an excessive rate from other causes. Although coronary heart disease and stroke have many things in common, they are far from identical diseases. For example, fat in the diet, by itself, has never been a powerful "risk factor" for stroke. For stroke, high blood pressure and smoking appear to be far more hazardous. In general, consumption of saturated fats — those that generally aren't liquids at room temperature — tends to raise cholesterol. Cholesterol, in turn, is a moderate risk factor for stroke, but a powerful one for heart disease. Although one or two other studies have suggested that higher-fat diets may protect against ischemic stroke, the new findings were greeted skeptically by two experts. "It is a preliminary study, and not a strong study," said Scott Grundy, director of the Center for Human Nutrition at the University of Texas Southwestern Medical Center in Dallas. He said the one-day diet record was a scant basis on which to draw conclusions. Antonio Gottom, dean of the Cornell Medical School and a prominent researcher of cardiovascular disease, said, "It runs counter to nearly every other finding. It is not consistent with what one would expect."

Senator Kerry Tied To Fund-Raiser

WASHINGTON — Campaign aides to Senator John Kerry, Democrat of Massachusetts, solicited contributions from Johnny Chung, a controversial Democratic fund-raiser, after the senator's office in Washington helped arrange a visit to the Securities and Exchange Commission for Mr. Chung and some foreign business associates. Mr. Chung's contributions of nearly \$400,000 to the Democratic Party are a focus of the Justice Department's ongoing inquiry into improper campaign fund-raising in the 1996 elections. According to a report published Wednesday in The Los Angeles Times, Mr. Chung, a California businessman, reimbursed his employees for contributing to Mr. Kerry's campaign at a reception he held for the senator at a California hotel in September 1996. Mr. Kerry was on a western fund-raising tour for his hard-fought re-election fight against William Weld, who was then governor of Massachusetts. Under federal election law, it is illegal to give money to a campaign in the name of someone else. Mr. Chung's lawyer, Brian Sun, said that

his client was not aware that reimbursing his employees for their contributions was illegal and was ignorant about the federal campaign laws. Noting that the fund-raising reception for Mr. Kerry was small and that a senior Democratic fund-raising official was in attendance, Mr. Sun added, "It's somewhat troubling that the professional fund-raisers didn't alert my client as to what was appropriate and not appropriate under the campaign finance laws that they were supposed to be familiar with. It's absolutely clear my client had no understanding of the nuances of these laws." Something Mr. Chung did understand was the value of getting access to Washington policymakers. He made many visits to the White House and had pictures of himself taken with President Bill Clinton, sometimes with his foreign business associates included. After being contacted by a Kerry campaign fund-raiser in the summer of 1996 about contributing to the senator's re-election, Mr. Chung stopped by Mr. Kerry's office with a group of foreign business associates in August. After they met with the senator, Mr. Chung's associates asked for help in arranging a visit to the Securities and Exchange Commission. "This was a routine meeting," said Chris Ullman, the director of public affairs at the commission. (NYT)

More Homeless Aid

WASHINGTON — Offering a sneak preview of his budget, President Clinton said he would ask Congress for a 40 percent increase next year in aid to the homeless. For several years, Mr. Clinton has presided over declining budgets in homeless aid, which is administered by the Department of Housing and Urban Development. Its main programs to help the homeless find housing and become self-sufficient totaled \$1.12 billion in 1995, falling to \$823 million for the current fiscal year. In next year's budget, Mr. Clinton is proposing to raise the amount to \$1.15 billion, including \$958 million to localities for homeless programs. (WP)

Quote/Unquote

Robert Bennett, chief attorney for Mr. Clinton, after a Washington court threw out a lawsuit that a policyholder filed to force the president to repay an insurance company more than \$1 million it has provided for his legal expenses in the long-running Paula Jones sexual harassment case; "This is just one more frivolous suit that has been filed against the president, and the court agrees with us." (WP)

Away From Politics

• The U.S. population increased by 2.4 million this year, to 268,921,733, the Census Bureau estimated, based upon the number of births (3.9 million), deaths (2.3 million), and number of people returning or immigrating to the United States (867,600) during the last year. The calculations represent an 8.1 percent increase from an April 1990 census. (AP)

• The goal of reducing the percentage of adults who smoke to 15 percent by the year 2000 will not be reached, the government conceded, estimating that 24.7 percent of the nation's adults, or 47 million people, were smokers in 1995, only slightly fewer than the 24.8 percent in 1994. The numbers have not changed much since 1990. (AP)

• Homicides in New York City are on track to hit a 30-year low this year, preliminary data showed, with 746 homicides recorded as of Wednesday, a 22 percent decrease from the 961 homicides during the same period last year, and lower than any annual total since 1967. (NYT)

• A former postal worker armed with a shotgun surrendered after holding seven people hostage at a regional mail center in Denver for nearly 10 hours. The authorities said David Lee Jackson, 42, had been fired 18 months ago for threatening his supervisor. (LAT)



A visitor walking alongside the memorial fence surrounding the site in Oklahoma City where 168 people were killed in the bombing of the Alfred P. Murrah Federal Building in 1995.

VERDICT: In Oklahoma City, Outrage at Denver Jury

Continued from Page 1

district attorney and a stern veteran of death-peo-ally prosecutions, has long promised a trial in state court to follow the federal case stemming from the bombing, and now a large number of people here say they cannot live with anything less. One is Darlene Welch, whose 4-year-old niece, Ashley Eckles, was killed in the bombing. "How dare that jury think that 168 deaths is involuntary manslaughter," Ms. Welch said, fighting back anger and tears. Like many others here, Ms. Welch sees the jury's verdict as incomprehensible. How, she asks, can a man be convicted of conspiring to use a weapon of mass destruction and not be a murderer? "I will never understand," she said. But "we'll get him here," she added, echoing the words of others who say they are willing to withstand the pain of a new trial, the repetition of evidence and the heartbreaking testimony, to see Mr. Nichols sentenced to death. Any state prosecution, legal specialists say, would probably take years to complete, with attorneys for both defendants working their way through the long federal appeals process all the while. Mr. Macy said he had been surprised by the federal verdict. There was more than enough ev-

idence, he said, to convict Mr. Nichols of the eight federal counts of murder — one for each federal agent killed in the blast. "I have a hard time understanding how the jury could reach that verdict," he said. But some here say they would rather not have a state trial — either for Mr. Nichols or for Mr. McVeigh, who has already been sentenced to death in the federal case — if they were sure that Mr. Nichols would get at least life in prison, as is possible for the conspiracy count. "That's all that's important to me," said Bud Welch, who is no relation to Darlene and who lost his grown daughter, Julie, in the explosion of the office building. Mr. Welch does not believe in the death penalty and opposed it in the McVeigh case as well. But even he thought the Denver verdict slighted those who had been killed in the bombing. If the Denver jury had convicted Mr. Nichols of murder, making the death penalty more likely, many here would have been satisfied. But after more than 40 hours of deliberations, the verdict, in their view, was little more than a weak effort at compromise. "Forty-some hours over six days," said Marsha Knight, whose 23-year-old daughter, Frankie, was killed in the bombing. "Involuntary manslaughter? It's just tough to take."

PANAMA: U.S. to Maintain Small Force

Continued from Page 1

Antonio Noriega. In September, the U.S. Southern Command moved its headquarters to Miami, leaving about 4,000 U.S. soldiers in Panama. Though Panama has been able to convert some of what it calls the "reverted areas" to use as industrial parks or hotels, the cost of maintaining the former American bases in the former Canal Zone has proved onerous. In addition, the Panamanian government has felt pressure from users of the canal, particularly some Asian users, to retain a U.S. presence as a guarantee of stability in the area surrounding the canal. "This is terrific news, very reassuring," a senior executive of a large shipping company said. "Things in Panama have a habit of getting dodgy, so all of us feel much more comfortable knowing that the United States will continue to be there to keep an eye on the situation." But the agreement also promises to provide substantial practical benefits to the United States. For years Panama has been an important American listening post, with communications-intercep-

tion and radar equipment that provides vital intelligence on activities of guerrillas, drug traffickers and other foes. As Panamanian and American officials have described the center, it ideally would focus on the surveillance of aircraft and ships suspected of carrying cocaine and other drugs from neighboring Colombia to the United States. Mr. Perez Balladares, who is seeking a constitutional amendment that would permit him to seek another term in office in 1999, has said he intends to call a referendum next year that would simultaneously address both the re-election and the drug-center proposals. But because public opinion polls show that barely one-third of Panamanians believe that Mr. Perez Balladares should be allowed to run for a second term, government officials and business leaders who favor the American military presence worry that resistance to his candidacy could sink both proposals. In addition, polls show that while most Panamanians favor an American military presence, they do so only on condition that their country gets economic benefits from the arrangement.

SPY: Civilian Satellite, First of Its Kind, Is Up and Ready to Take a Shot at Whatever Anyone Wants

Continued from Page 1

satellites allow those companies to photograph anything from space and send the imagery on the open market. But the government retains the right to switch off the commercial cameras in time of war or international tensions. The federal government also retains the right to screen foreign customers. Countries likely to be denied access to the imagery include

Iraq, Libya, Cuba and North Korea. But private specialists say that front companies will probably evade export prohibitions, as they have repeatedly on behalf of nations intent on buying sensitive gear for nuclear, chemical and biological weapons. At least three companies in the United States, including EarthWatch, and others in France, India and Israel are preparing to launch civilian spy satellites. In the United

States, much of the activity involves equipment and contractors that once were, or still are, part of the government complex for military espionage, as well as some of its former leaders. The exact number of these spy satellites that will reach orbit is hard to predict, but specialists say that at least half a dozen are likely to be introduced in the next two or three years. The EarlyBird 1 spacecraft was built in California and underwent

environmental testing at the Goddard Space Flight Center, a National Aeronautics and Space Administration complex in Maryland. It was flown to Moscow for customs clearance and then shipped to the Svobodny Cosmodrome, a military base in eastern Russia that keeps missiles in underground silos. After months of delay, the satellite was fired into space Wednesday morning and reached an orbit 293 miles (469 kilometers) high. The Russian booster was a former mil-

itary missile known as START-1, named for the arms treaty that helped make it obsolete. Fifteen minutes after the launching, an EarthWatch ground station in Norway received a signal from space confirming that EarlyBird had separated from the booster and begun automatic operation. A spokesman for the company said test images from the satellite would be available in about three weeks and that orders would start being filled in six to eight weeks.

DO YOU LIVE IN FRANCE?

• Subscribe and SAVE up to 60% off the cover price.

• Also available: PAY MONTHLY by easy, low cost, direct debit.

EARLY MORNING DELIVERY TO YOUR HOME OR OFFICE.

INTERNATIONAL HERALD TRIBUNE

For more information about easy ordering and availability of hand delivery CALL our Subscriber Customer Service Unit. TOLL FREE: 0800 437 437 or Fax: 01 41 43 92 10. E-mail: subs@iht.com. Internet: http://www.iht.com

PAYMENT BY MONTHLY DIRECT DEBIT

☐ YES, I'd like to subscribe and have my bank account debited monthly by FF162. Please start my subscription and send me a bank form to arrange my payment.

PAYMENT BY CHECK OR CREDIT CARD

☐ YES, I'd like to subscribe and pay for the following term:

☐ 12 months (+ 2 months free): FF1,950 (Savings off cover price 46%)

☐ Special 2-month trial subscription: FF210 (Savings off cover price 60%)

☐ My check is enclosed (payable to the IHT)

☐ Charge my: ☐ Access ☐ Amex ☐ Diners ☐ Eurocard ☐ MasterCard ☐ Visa

Credit card charges will be made in French Francs at current exchange rates.

Card N°: _____ Exp.: _____

Signature: _____

☐ Please start delivery and send invoice.

Family Name: _____

First Name: _____

Job Title: _____

Mailing Address: ☐ Home ☐ Business _____

City/Coder: _____

Tel: _____ Fax: _____

E-Mail Address: _____

Your VAT N° (Business orders only): (HTVAT N° 747 320 211 36)

I got this copy of the IHT at: ☐ kiosk ☐ hotel ☐ airline ☐ other (fill in)

☐ I do not wish to receive information from other carefully screened companies. 26-12-97

This offer expires on December 31, 1998 and is AVAILABLE FOR NEW SUBSCRIBERS ONLY.

Return your completed coupon to: Subscriptions Director, International Herald Tribune, 181, Avenue Charles-de-Gaulle, 92521 Neuilly Cedex. Fax: 01 41 43 92 10 E-Mail: subs@iht.com

READERS IN OTHER COUNTRIES CAN SUBSCRIBE BY CALLING:

EUROPE, MIDDLE EAST & AFRICA Tel: +33 1 41 43 93 61 Fax: +33 1 41 43 92 10

THE AMERICAS Tel: (USA toll free) 1-800-882-2884 Fax: +1 212 755 8785

ASIA Tel: +852 29 22 11 71 Fax: +852 29 22 11 99

ASIA/PACIFIC

Kim's 'Odd Couple' Sees Eye to Eye on Economy

By Steven Mufson
Washington Post Service

SEOUL — Two men hold keys to the future of the economy of South Korea — one a union boss who a year ago backed a nationwide strike over job protection laws, the other a maverick governor who has espoused the virtues of free markets and foreign investment.

Both campaigned for President-elect Kim Dae Jung, and, faced with the near bankruptcy of the South Korean economy, both are pledging allegiance to Mr. Kim and to an International Monetary Fund program designed to get their country off the ropes.

But Governor You Jong Kuen, a former Rutgers University economics professor who has emerged as one of Mr. Kim's top economic advisers, and Park In Sang, leader of the 1.2 million-member Federation of Korean Trade Unions, make an odd couple among the supporters of the president-elect.

For now, the two men do not seem far apart. Both express concern about finding ways to limit layoffs but agree they cannot be avoided. Both talk about reorganizing companies and ending the corrupt relationship between many big conglomerates and the government. And both recognize that South Korea must adapt to a tightly intertwined world.

"People blame the IMF and talk about the East Asian model," Mr. You said. "But it's precisely the East Asian model of using connections and high debt that's created this situation."

"Globalization is unavoidable," Mr. Park said. "We have to accept it naturally."

But while the economic emergency has united South Koreans behind an economic rescue program for now, the hardships in store for the country could well split that consensus in the months ahead. And

within Mr. Kim's coalition, these two men could later find themselves standing on opposite sides of the fault line.

Mr. You, 53, is one of the key players at the moment. He spent 24 years in the United States, first as a student, then as a Rutgers professor and finally as a member of the economic policy council of the state of New Jersey for Governors Brendan Byrne and Thomas Kean.

"I began thinking about doing the thing for myself," Mr. You said.

Mr. You also stayed active in the South Korean democratic movement and befriended the president-elect when Mr. Kim was in exile in the United States in the 1980s. In 1994, Mr. You returned to Korea and defeated the chairman of Mr. Kim's party for the nomination for the governorship of North Cholla Province. In the general election, Mr. You defeated a candidate who was a foe of foreign investment.

"Many have thought that foreign direct investment meant a loss of control and economic sovereignty," said Mr. You, who noted that the sharp increase in direct foreign investment recently to an annual level of \$3 billion was still tiny for an economy the size of South Korea's. He added that many politicians liked the old South Korean system, which allowed the government to decide where investment could go; that gave it the power to dispense favors, and thus opened the doors to corruption.

As a governor, Mr. You has attracted more than a dozen modest-size foreign investments to his province despite tepid support from the central government.

Korea has been very unwise in the past by not being very friendly to foreign direct investment," said Mr. You, whose message to foreign investors has become party dogma now that it is clear the country desperately needs investment to provide new capital for heavily

Presidential Staff Faces Big Layoffs

Reuters

SEOUL — President-elect Kim Dae Jung will lay off half of the secretarial staff of the presidency, including many presidential secretaries, when he takes office, his National Congress for New Politics said Thursday.

The party said the move was a first step toward a smaller government and aimed at eliminating the "secretarial politics" that often shrouded the South Korean presidency from public view.

Mr. Kim would operate open channels of conversation with cabinet ministers who would be given complete autonomy, the party said. Mr. Kim, who was elected last week and is scheduled to be sworn in on Feb. 25, has been pushing for market-oriented reforms in public and private sectors.

He cautioned Wednesday that layoffs would be inevitable in South Korea unless uncompetitive companies were swiftly liquidated.

indebted South Korean firms. Mr. Park, unlike Mr. You, has undergone a recent conversion to the IMF program and a more open economy. Last January, he was demanding 11 percent wage increases for workers.

Just two weeks ago, he was demanding job security; a ban on hostile takeovers; job guarantees for employees of merged companies; union consultation before layoffs and renegotiation with IMF "in order to minimize un-

necessary social tension" and prevent steps that "threaten the employment and decent lives of workers."

But much has changed in two weeks. The country is staring bankruptcy in the face, and companies are beginning to shut down because they cannot get parts or day-to-day financing.

"I basically support the IMF conditions," Mr. Park said. "Workers and trade unions are strongly supporting economic reforms."

For Mr. Park and the union movement, South Korea's economic crisis represents a tremendous setback. Since democracy replaced South Korea's military rule 10 years ago, the labor movement has been a powerful force in the country, and many analysts say its demands have discouraged foreign investors. From 1987 through 1995, South Korean wages rose by an average of 15 percent a year, far outstripping inflation and gains in productivity. Strikes were common.

At the same time, however, union representation among South Korean workers has dwindled from 19 percent to 14 percent. When union leaders tried to call a nationwide general strike this year to protest a change in labor laws, the response was weak.

The election of Mr. Kim, the first opposition candidate to win the presidency in South Korea, represented an important political victory for a long-time friend of the union movement. But even at that moment of triumph, the financial crisis was undermining labor's gains. Analysts predict that 1 million of South Korea's 13 million employees will be thrown out of work in coming months.

"We will accept a reduction in working hours and partly accept a reduction of wages to minimize the layoffs," Mr. Park said.



LAMAMANIA — The Dalai Lama attending a symposium Thursday in Bombay, where crowds waited for hours to catch a glimpse of him.

Okinawa Mayor Resigns Over Base

NAHA, Japan — A mayor who this week approved the building of an offshore U.S. military heliport near his city on the island of Okinawa despite the opposition of voters submitted his resignation Thursday.

The heliport, off Nago, would replace a U.S. base that is scheduled to be closed as part of a plan to reduce the heavy military presence on the southern Japanese island.

Mayor Tetsuya Higa's approval of the heliport, announced Wednesday, does not completely clear the way for the project, but it was viewed as helping the governor of Okinawa, Masahide Ota, work out an agreement with the central government.

The mayor's approval came after 54 percent of voters expressed opposition to the heliport in a nonbinding referendum Sunday. (AP)

Divers Search Site Of Sumatra Crash

PALEMBANG, Indonesia — Rescue workers made little progress Thursday in their search for the wreckage of a Singaporean airliner that crashed into an Indonesian river last week, officials said.

They said divers and ships were continuing to scour the bed of the muddy, fast-flowing Musi River in southern Sumatra for the fuselage of

the SilkAir Boeing 737-300, which crashed last Friday almost halfway through a flight from Jakarta to Singapore. All 104 people on board are believed to have died.

"It is very frustrating for all of us," Prime Minister Goh Chok Tong said in Singapore. "For the rescuers, searchers, the Indonesians, the Singaporeans in Palembang, working very hard and yet unable to find the fuselage, the black box and bodies." (Reuters, AFP)

Protest in Taiwan

TAIPEI — About 2,000 protesters marched Thursday to demand that President Lee Teng-hui apologize for conciliatory remarks about World War II-era crimes committed by the Japanese.

The protesters burned an effigy of Mr. Lee, who had told a Japanese newspaper that "it went too far to constantly ask Japan to apologize for the invasion of China." (AFP)

Pakistan Collision

LAHORE, Pakistan — The death toll from a head-on crash between an express locomotive and a stationary train rose to 32 people Thursday with 40 injured, four critically, the medical supervisor at Jhang hospital said.

Rescuers looking for survivors cut through the mangled wreckage at Rustam Sargana station after the crash, which occurred shortly before midnight Wednesday. (Reuters)

China Activists Seek to Promote Independent Unions

By Erik Eckholm
New York Times Service

BEIJING — A loose-knit group of veteran democracy activists has started a campaign to promote independent labor unions among China's workers, who face vast layoffs as the government strives to close money-losing enterprises.

The activists, some in China and some in exile, hope to use Beijing's recent signing of a United Nations covenant ensuring the right of workers to organize as a wedge against a government that has suppressed all efforts to form unions outside its grip.

In a letter sent this week to foreign news organizations, the campaigners say workers have a clear right to set up new unions to fight for their interests in this period of drastic downsizing, mergers and sales of state-owned industries. Currently, unions not sponsored by the Communist Party are illegal, and the government has given no sign that it will relent. UN covenant or not.

The proposals in the letter go to the heart of China's most explosive political challenge: how to cope with the legions of victims as it unleashes market forces to streamline the bloated, often bankrupt communist economy.

In recent months, there have been numerous reports of small-scale worker protests around the country over such concerns as nonpayment of wages or pensions, fear of job losses after corporate takeovers, and conflicts over dismissals and severance pay.

The dislocation of millions of industrial workers is occurring even as the growing private and semiprivate sectors bring new prosperity to millions of other Chinese — a visible gap that only adds to the tensions.

"Workers in state-owned enterprises, especially, should immediately form their own unions to monitor their leaders and prevent leaders from engaging in bribery or stealing public properties," said the letter, signed by four leaders of the 1979 "Democracy Wall" movement, each of whom has served time in

prison. "Only by depending on ourselves can we fight those who punish workers arbitrarily or fire workers without reason."

Speaking from Cambridge, Massachusetts, Wang Xizhe, one of the signers, said: "China's workers don't understand that China has agreed to this international agreement. We're going to use every method we can to educate them about it."

Mr. Wang, 47, who spent 15 years in prison for pro-democracy activities, fled China last year under threat of arrest after he signed a letter calling for impeachment of President Jiang Zemin.

Mr. Wang said the signers of the letter were only trying to raise awareness, not organize unions, something he said workers must do themselves.

The distinction may be a crucial one for the two signers inside China, Qin Yongmin in Wuhan and Xu Wenli in Beijing. Reached by telephone Tuesday, both declined to expand on the letter. The fourth signer, Lu Sijing, lives in Hong Kong.

"Organizing a labor union is no longer an internal affair of China," Mr. Wang asserted.

A Call for Release of Dissidents

Shen Liangqing, a Chinese dissident, demanded Thursday the release of Wang Dan and two other jailed dissidents as a way of marking the New Year and improving China's image abroad. Agence France-Presse reported from Beijing.

If Wang Dan, Liu Nianchun and Li Hai are freed, they will be allowed to regain a family life and it would improve the image of China before the UN Commission on Human Rights in Geneva," Mr. Shen wrote in an open letter sent to the Chinese Parliament and its chairman, Qiao Shi.

Wang Dan, one of the main leaders of the 1989 student-led pro-democracy protests in Tiananmen Square, was sentenced to 11 years in prison for his activities. Li Hai was arrested during the same period. Liu Nianchun was arrested in 1995 for signing a petition for trade union rights.

INTERNATIONAL



A WELSH CHRISTMAS SPLASH — Backpacking travelers from Wales flying their flag Thursday as they celebrated the holiday in the surf of the popular seaside destination of Bondi Beach, Australia.

Australians Waver Over Monarchy Issue

By Clyde H. Farnsworth
New York Times Service

SYDNEY — "We need an Australian head of state," said Braniff Robinson, a 24-year-old Sydney real-estate salesman and property investor.

"Australia doesn't get the chance to express itself as a nation when it's only a subdivision of English policy. Sure, there's English heritage, but we need our own president, rather than an archaic system of the English monarchy."

Among his friends, he said, "The feeling is pretty much the same — time for a change."

If Mr. Robinson is right, and polls suggest he is, Australians could well dump Queen Elizabeth II as their head of state and have a president of an Australian republic to welcome visitors to the Olympics in 2000.

Surveys consistently show about three of five Australians want to get rid of the monarchy. One by Newsweek this year for The Australian, the national daily paper, found 47 percent supported a republic, 26 percent opposed one and 25 percent were undecided. For years polls have found republicans in the majority. Yet such soundings were always academic. Now, for the first time, the

majority may effect a change.

The country has begun a political process that involves voting for delegates to a constitutional convention to be held from Feb. 8 to Feb. 18 in Canberra. The delegates will try to sort out the type of republic favored. Then the question goes to a nationwide referendum.

An air of inevitability surrounds the exercise. Even many monarchists concede Australia will eventually become a republic.

Ray Renshaw, 48, whose parents emigrated from Britain, operates a small printing business in Wollongong, a steel town south of Sydney.

He favors the status quo. "Australia works just fine right now," he said. But in a comment echoed widely throughout the country, he added, "I suppose a republic has to come someday."

The multiethnic Australia of 1997, with its large and growing Asian population and rising trade with Asia, has less and less in common with Britain. What Australians seem to like most about the monarchy is entitlement to days off to celebrate the queen's official and real birthdays.

Advocates of a republic see Australia gaining in respect, and possibly in husi-

ness, from Asian neighbors, such as Indonesia and Malaysia, which not too many years ago cast off their own imperialist ties.

Australia would be able to approach its neighbors "as an independent member of the local community of nations," said former Prime Minister Paul Keating, who sounded calls for a republic during his term of office from 1991 to 1996.

Except for attention to pedigree in certain enclaves of Sydney and Melbourne and whiffs of racism that occasionally blow mainly from Queensland, Australia is one of the most classless and least stuffy of countries.

"Kings, queens and princes seem a bit silly in the Australian context," said Phillip Adams, a Sydney social commentator.

An electorate of 12 million, in a population of 18 million, began voting by mail on Oct. 23 for 76 delegates to the Canberra convention. The voting ended Dec. 9, with the Australia Election Commission reporting that republicans had won 45 of the seats. The government will appoint another 76 delegates to ensure representation of all segments of society.

Prime Minister John Howard, elected in March 1996 to a three-year term, has honored a pre-election promise to hold a convention even though as a conservative politician and avowed monarchist, he remains the leader of the forces against change.

"At the end of the day the Australian people will decide whether or not this country becomes a republic," he said. "But at the end of the day we have to get it right. There's no such thing as a practice republic."

The oust in February will be on republicans to set out an acceptable model for a republic.

Malcolm Turnbull, who heads the Sydney office of the investment banking firm Goldman, Sachs & Co. and who is chairman of the Australian Republican Movement, said he expected agreement on an Australian head of state chosen by Australians with the same powers as the governor general, the queen's representative in Australia.

The differences, he said, will be in how the head of state is selected and the degree to which his or her powers are codified in the constitution.

In theory, the governor general is the most powerful person in Australia. In practice, he merely presides over ceremonial functions and does what the prime minister says.

Walkout by 70,000 Israeli Health Workers Shuts Down All but Emergency Services

Agence France-Presse

JERUSALEM — About 70,000 Israeli health workers held a nationwide strike Thursday, paralyzing government hospitals and clinics, to protest plans for changes in the universal health system.

Doctors, nurses and administrators from eight government hospitals and numerous clinics ignored court orders to return to work. Hospitals continued emergency services, including obstetrics and dialysis services, but most patients were refused medical facilities, Israeli radio said.

The protest also brought together for the first time health workers and representatives of patients' organizations, the Israeli press said.

The groups held a demonstration in front of the Parliament, which agreed Tuesday to add the plan as an amendment to an austerity budget prepared by the Finance Ministry for 1998.

Under the 1995 health law, all Israelis are entitled to health coverage by private insurance funds, which are in turn funded by the state through health levies.

The new law would allow health funds to tailor coverage and charge extra fees for a wide variety of services, particularly long-term geriatric care. Also, health coverage currently provided directly by the state for newborn babies and their mothers would be covered by health funds.

Finance Minister Yaakov Neeman drew up the plan to close a \$300 million deficit in the health system.

Health Minister Yehoshua Mordechai has come out against the plan, saying it would "create a two-tier health system, one for the rich and another for the poor." The ultra-Orthodox Shas party, part of the governing coalition, also opposes the plan and has called for it to be returned to committee.

Israel Indicts German, 26, as a Terrorist

The Associated Press

TEL AVIV — An Israeli court indicted a German man Thursday on charges of planning a suicide attack in Israel on behalf of Hezbollah, the Lebanese guerrilla movement that is supported by Iran.

Stephan Josef Smyrek, 26, of Braunschweig, Germany was charged in Tel Aviv District Court with membership in a terrorist organization, conspiring to assist Israel's enemies and conspiring to hand over information to the enemy to harm Israeli security.

Each of the three charges carries a maximum life sentence. Hezbollah denied that he had worked for it.

Mr. Smyrek has not yet entered a plea. His defense lawyer, Danny Assan, said that during interrogation, Mr. Smyrek confessed to most of the charges but that the confession was made under duress and could be the result of a "fertile imagination."

"During these three weeks he was interrogated all the time," Mr. Assan said. "He was held for 21 days with no contact with a lawyer. These are ideal conditions for cooking up such statements."

"We need to check if the whole thing is a fantasy. My impression is that he has a fertile imagination."

In its statement denying that it had recruited Mr. Smyrek to stage a suicide attack in Tel Aviv, Hezbollah said: "The report has been fabricated by the Israeli intelligence in an attempt to raise falling morale."

Hezbollah, it continued, "is capable of inflicting heavy losses on the Zionist army in the occupied zone of southern Lebanon. It does not need to carry out other military operations."

Israel charged that Mr. Smyrek converted to Islam in 1994 and, two years later, got in touch with two men who put him in contact with Hezbollah. In August, Mr. Smyrek allegedly

traveled to Lebanon to train in the use of light arms, explosives and other weapons.

Three months later, he came to Israel from Amsterdam, equipped with a video camera, a map of Israel and \$4,000 from Hezbollah, the charge sheet said.

Mr. Smyrek allegedly told interrogators that he was looking for a suitable place in either Tel Aviv or Haifa for a suicide attack.

He was reported to have served time in German prisons for robbery and drug offenses.

The court set its next hearing for Jan. 4.

This was the second time in two years that Israel charged Hezbollah with attempting an attack in its territory.

The Smyrek case prompted warnings from security sources, who said that Hezbollah was trying to set up an international terrorist movement by enlisting Europeans, the Maariv newspaper said.

EUROPE

Rocky Tour for 'Tractor Diplomat'

U.S. Ambassador Leaving Balkans, Where His Role Is Under Fire

By Chris Hedges
New York Times Service

ZAGREB, Croatia — After nearly five years, Ambassador Peter Galbraith will leave Zagreb next month, reviled by the Croatian press, which once granted him celebrity status, under a cloud in Washington for his role in the clandestine delivery of Iranian weapons to the Bosnian Muslims, and ostracized in government circles here as President Franjo Tudjman's most dogged critic.

In the course of his career, Mr. Galbraith, 45, a political appointee with close ties to the Democratic Party, often elected to "make policy first and inform Washington later," in the words of a diplomat in his embassy.

Mr. Galbraith often speaks of his work in terms most diplomats would eschew.

"I decided from the time I came here that this was an opportunity to save lives," he said in an interview in his office, "and I would do the best I could for that goal."

Human rights officials, while praising the ambassador for his recent calls for the

return of exiled Serbs, condemn him for failing to denounce the mistreatment of the Serbs until most had been expelled. These critics contend that his close relationship with Mr. Tudjman, along with his celebrity status, blinded him to the pernicious nature of Mr. Tudjman's nationalist government until it was too late.

"He cared a lot more for Franjo Tudjman in the early days than he did for human rights," said Ivan Cickic, the head of the Croatian Helsinki Committee for Human Rights.

Mr. Galbraith disagreed with this assessment, saying he was as vigorous in pursuing human rights early in his tenure as he was later.

The political landscape changed drastically on Aug. 8, 1995, when Croatian troops, having taken the Serb-held Krajina region in a lightning assault, began driving a quarter-million Serbs out of the country. The ambassador, with journalists in tow, hopped on a departing tractor carrying a Serbian family along a road lined with rock-throwing Croats and angrily denounced the expulsions.

He would spend the rest of his time in Croatia leading a quixotic campaign for

the return of the approximately 500,000 ethnic Serbs driven from Croatia. His championing of the exiled Serbs deeply angered Mr. Tudjman and led to vicious attacks against him in the state-run press.

In 1996 Mr. Tudjman, after returning from a trip to Washington, derisively referred to him in a speech as "the tractor diplomat." The ambassador calls the tag, now commonly used here, "the greatest compliment of my career."

"What I did not anticipate," he said, "was that after the military action, the Croatian Army and police would preside over the systematic looting of every house in the Krajina and the burning of maybe a third of them, or that the Croatian government could so strongly resist the idea that people could return to their own country."

Even his harshest critics mark the tractor ride as a watershed.

"The policies of Mr. Tudjman finally became clear to him," Mr. Cickic said. "It was also clear that he, because of his support for Tudjman, was partly responsible for what happened to the Serbs."

With Croatian troops massing along the edge of the last Serb-held enclave in Eastern Slavonia in late 1995, Mr. Galbraith and his staff worked feverishly to achieve an agreement for a peaceful transition. The agreement put the enclave under United Nations control until Jan. 15, 1998, in an effort to foster a gradual reintegration with Croatia.

Most ethnic Serbs in exile, however, have not been allowed to return to their homes in Croatia as the agreement stipulates. And Croats expelled by the Serbs six years ago have refused to go back to Eastern Slavonia until Zagreb takes control. It is unclear to many diplomats how tolerant the new Croatian authorities will be with the remaining Serbs or if the agreement will work.

Croatia is not the first place where Mr. Galbraith has courted controversy. As a staff member on the Senate Foreign Relations Committee from 1979 to 1993, he left northern Iraq in 1991 just ahead of Iraqi troops advancing to crush the Kurdish uprising. He visited the United States-backed rebels in Afghanistan and was instrumental in organizing congressional pressure in 1984 to free the imprisoned Pakistani opposition leader, Benazir Bhutto, his former Harvard classmate.

The ambassador, who will move to Washington and take a job as a senior official in the Agency for International Development, was instrumental in one of the most contentious policy decisions made by the Clinton administration in Bosnia.

He lobbied in April 1994 to allow Iran to transfer weapons through Croatia to the Muslims, who were outgunned by the Serbs and under siege in Sarajevo. President Bill Clinton's agreement to look the other way as Iran and Croatia openly violated the United Nations arms embargo, however, was never relayed to the CIA or the Pentagon.

"The president's decision not to object to the flow of weapons sustained the alliance between the Bosnians and the Croats, which at the time was in a very fragile condition," the ambassador said, referring to the alliance brokered by Washington, which ended nearly a year of fighting between the Croats and Muslims.

"The arms shipments allowed the original victims of the aggression to, in a very short time, reverse the military situation on the ground," Mr. Galbraith said. "This paved the way for Dayton."



Officers guarding access to the harbor at Novorossiysk, Russia's southern port and future pipeline terminal.

Russians Go Green Over Black Sea

By Marilee Simons
New York Times Service

NOVOROSSISK, Russia — Valeri Timoshenko, a quiet man and a filmmaker, prefers to be behind the camera. But there he was in front of it, gestulating at what he called the scene of a future crime.

The place looked innocent enough, a perfect half-moon bay along the Black Sea lined with hills and trees, a rare stretch of unspoiled nature. But a partnership of Russian and Western oil companies has plans for this stretch of beach, 8 miles from the city's harbor.

They expect to begin work next year on a 980-mile oil pipeline that will empty into a phalanx of storage tanks. Loading buoys for supertankers will float just off the bay, now a favorite bathing spot.

"That oil terminal must be built in the existing harbor and not in this bay," Mr. Timoshenko told a film crew recording Black Sea problems. "We are told it's cheaper to put it here, but it will destroy pure nature. We don't have much left."

The issue is not that simple. For Novorossiysk, a city of 250,000 people that is lined with industry and grease, oil means jobs and a chance at prosperity, and many here are eager for a chance to work in the expanding industry.

About 80 percent of the calls to a hot line for concerned local citizens are about where to find a job.

Russian crude oil has passed through here for decades, but Moscow now wants its only southern deep-sea harbor to handle part of the enormous Central Asian reserves waiting to be ferried to Western markets. Pipelines already bring oil from the Russian hinterland; the first flow from the area around the Caspian has just come in. From here, the oil goes to the Mediterranean.

The environmental record of the lands around the Caspian Sea is one of rampant abuse. But the approaching oil boom of Central Asia has raised some questions more starkly than before.

How much land and water will be

sacrificed in the name of promised prosperity? And how much of that prosperity will benefit local poor people? Or will much of it end up in Moscow, London or Houston?

Russia has environmental laws, but skeptics fear that, as in the past, these will be widely ignored. The port of Novorossiysk is poorly equipped to deal with the waste of oil tankers and from the city itself. The beaches of a nearby resort and the bay where the new terminal is planned are covered with tar balls from earlier oil spills, and with syringes and other hospital waste.

Laurence Mee, director of the Black Sea Environmental Program of the United Nations, said pollution in this area was "a real and disturbing issue."

Local environmentalists think they have some leverage. The entrepreneurs on the Caspian oil frontier include Western energy companies that care about their public image and are open to more scrutiny than Communist bureaucrats were.

Mr. Timoshenko's sense of realism tells him that ordinary citizens cannot stop a pipeline that has been discussed by both the White House and the Kremlin. But he and others have demanded a referendum on the location of the terminal.

In August, a protest group occupied the town hall, and since then the mayor and the oil companies have held several public hearings.

Supporters of the referendum include priests, scientists and teachers.

The Novorossiysk office of the Caspian Pipeline Consortium, which will build and operate the pipeline and terminal, has already pledged to make major investments to clean up and restore all the land and beach fronts along the pipeline route. The oil companies, which include Chevron Corp., Mobil Corp., Royal/Dutch Shell Group, British Gas PLC and Russia's oil giant AO Lukoil, will pay most of the \$2 billion cost of the line. The European and American companies promise to do everything possible to prevent accidents.

Construction of the pipeline, from the Tengiz oil fields in Kazakhstan, is to start in 1998, and three years later the pipeline is expected to deliver half a million barrels a day to Novorossiysk. That amount may double in the future.

According to the partnership, it would be impractical and unsafe to build the terminal in the crowded harbor. Instead, it argues, the offshore loading platform for tankers, floating three miles from the coast, is more reliable and safe. "It will avoid shipping accidents and collisions in the big port," said Victoria Dergachiova, director of the consortium office.

The sites for the enormous new grid of pipelines, pumping stations and terminals are still being negotiated. Talks are entangled in politics, and oil may be routed east, west or south. But the routes of three pipelines are known. Two already exist, the third was approved in May. All three lead to the Black Sea.

For Mr. Mee, of the United Nations, the implications are grim. "The Black Sea is becoming an oil superhighway but its ports are badly equipped," he told Western scientists visiting Novorossiysk. "Unless drastic changes are made, we are inviting disaster."

Now, even before the coming oil boom, more than 110,000 tons of oil get into the Black Sea every year, according to recent studies of surface water and sediments. The oil comes from rivers, coastal refineries and oil tankers.

John Lyras, president of the Greek shipowners' association, said much pollution from tankers was avoidable if proper facilities are installed on land. "Tankers carry sea water in their cargo tanks for stability while they sail empty, and they need facilities for dumping this contaminated water," he said, noting that Black Sea ports lack such facilities, despite international conventions requiring them.

Novorossiysk is a case in point. Although its harbor handles 50 million tons of cargo per year, of which 32 million is oil, it has few treatment facilities.

Much of the vessels' ballast water, sludge and toxic waste is simply dumped at sea.

'Carlos' to Appeal His Life Sentence

PARIS — The terrorist leader known as "Carlos the Jackal" will appeal the life sentence a French court passed on him for killing two French police officers and their Lebanese informer in 1975, his lawyer has said.

"I told Carlos last night to file the appeal as soon as he returned to Fresnes prison," Isabelle Coutant-Peyre, his lawyer, said Wednesday.

The 48-year-old Venezuelan revolutionary, whose real name is Ilich Ramirez Sanchez, gave a clenched-fist salute and shouted "long live the revolution" when the sentence was read.

"Carlos" has been blamed for more than 80 deaths and hundreds of injuries during his pro-Palestinian campaign in the 1970s and 1980s. He was found guilty of murder with aggravating circumstances. (Reuters)

Swiss to Donate To Holocaust Fund

BASEL, Switzerland — The biggest banks in Switzerland have pledged 15 million Swiss francs (\$10.5 million) to help charities search for needy Holocaust victims eligible for aid from a special fund, a spokesman has said.

Michael Willi of the Swiss Bankers Association said Wednesday the money would be in addition to the 100 million francs the banks gave earlier this year to establish the fund to aid people who survived Nazi persecution and continue to live in poverty.

The fund, which has grown to 270 million francs with other Swiss contributions, is intended primarily for victims in Eastern Europe who were unable to receive compensation in the years after World War II because they were under communist rule.

Mr. Willi said the extra contribution

of the banks would help defray expenses like mailing and travel for the charities that are trying to find eligible recipients. (AP)

Sex Victim's Father Plans Political Party

BRUSSELS — The father of one of the girls who was slain in a series of child-sex killings that shocked Belgium over the past two years has announced plans to form a political party in mid-January.

Paul Marchal said Wednesday he was forming a party because, he said, the political establishment had failed to push ahead reforms of the police and judiciary that were promised after revelations of incompetence during the inquiry into the kidnapping and killing of the girls.

The body of Mr. Marchal's 17-year-old daughter An was found alongside that of her friend Effie Lambricks, 19, in September 1996 on land belonging to a convicted child rapist, Marc Dutroux. (AP)

Russian Legislators Approve '98 Budget

MOSCOW — The lower house of Russia's Parliament voted Thursday in favor of the 1998 budget on a second reading, moving closer to final adoption of the plan — the centerpiece of the government's economic reform efforts.

The draft was approved by a vote of 231 to 155, with three abstentions. The State Duma plans to hold its third and final vote on Jan. 23, which comes as a disappointment for the government. The cabinet has pushed for the budget to be approved by Jan. 1.

President Boris Yeltsin has said the budget, which calls for significant cuts in social spending, is needed to continue economic reforms. (AP)

1997 Was a Year of 'Joy and Woe,' Queen Elizabeth Tells Britons

RUSSIA: Yeltsin's Bleak View

Continued from Page 1

Russia "finds itself isolated" from the Asia-Pacific region and adds that "all of this is unacceptable for us as an influential European-Asian state."

The document recounts Russia's economic troubles: shrinking industrial production; falling investment and innovation; "lagging behind developed countries" in high technology; growing dependence on imports; a brain drain from science and skilled fields; falling living standards; agricultural stagnation; widespread use of barter instead of money; a collapse of public finances, and the prevalence of crime and corruption.

"The crisis-like state of the economy is the major reason for the appearance of a threat to the national security of the Russian Federation," it declares.

The document warns that Russia, a federation of 89 regions, faces "centrifugal aspirations" that could rip the country apart. It notes that some regions already snub the constitution.



Elizabeth II delivering her Christmas message from Windsor Castle.

LONDON — Calling 1997 a year of "joy and woe," Queen Elizabeth II spoke in her Christmas message Thursday of the shock of Princess Diana's death and the happiness of her own golden wedding anniversary.

In the longest royal Christmas message since George V began the national tradition in 1932 — nine minutes and 55 seconds — the queen departed from the stuffy tones of broadcasts past.

Quoting William Blake and St. Paul, she discussed the royal family's emotional roller-coaster in 1997 as well as Britain's loss of Hong Kong and even the devolution of more political power to Scotland and Wales.

"We all felt the shock and sorrow of Diana's death," the queen said in the television message screened around the world and appearing for the first time on the Internet.

In 1997, she said, Westminster Abbey in London was the scene of two major events, "one of them almost unbearably sad," the queen said, referring to the funeral of Diana, who died Aug. 31 in a

car crash in Paris. But the abbey also was the scene of celebrations in November of the queen's 50th wedding anniversary, an occasion that the queen said was "for Prince Philip and me, tremendously happy."

Queen Elizabeth said: "Joy and sadness are part of all our lives. Indeed, the poet William Blake tells us that 'joy and woe are woven fine, a clothing for the soul divine, under every grief and pine runs a joy with silken twine.'"

She added, "This interweaving of joy and woe has been very much brought home to me and my family during the last months."

The queen's message was strikingly more personal and emotional than in the past, perhaps in response to a year in which millions of Britons abandoned their stereotypical reserve and grieved openly at Diana's death.

Recent evidence suggests the royal family's attempt to get more in touch with the British public since Diana's death is starting to pay dividends.

On Wednesday, The Times said there had been a strong recovery in the pop-

ularity rating of Prince Charles. It said a recent poll by the MORI organization had found 61 percent of Britons satisfied with their future monarch and 29 percent dissatisfied. In a poll in August, just before Diana's death, 46 percent were dissatisfied with Prince Charles, and 42 percent expressed satisfaction.

At points in the recorded message, video footage was shown. There were scenes of the flowers left outside Kensington Palace after Diana died and film of Diana's two sons, William and Harry, walking behind her coffin in the funeral procession with Diana's ex-husband, Prince Charles, and her brother Earl Spencer.

The queen said the thousands of flowers and messages left in tribute to Diana had been "a great comfort to all those close to her."

Queen Elizabeth said many in Britain may have felt "a twinge of sadness" as Hong Kong reverted to Chinese rule in July, but she said, "We should be proud of the success of our partnership in Hong Kong and in how peacefully the old empire has been laid to rest."

RELIGION: A Patchwork of Beliefs Enlivens Europe's Spiritual Life, but Traditional Forms of Worship Draw Decreasing Numbers

Continued from Page 1

their church from the clutches of their state. The Germans are struggling to absorb and convert a virtually de-Christianized East German population. And all Europeans are learning to live with the growing presence of Islam.

For a quarter-century, Europe has welcomed Protestant evangelism imported or copied from North America. Baptists, Methodists, Assemblies of God, Jehovah's Witnesses, even Episcopalians, are spreading their message with slow but growing success.

Europe no less than the United States has warmed to New Age spiritualism, Hinduism, Transcendental Meditation, the Unification Church, Krishna Consciousness, occultism, faith healing. The Church of Scientology is locked in a struggle with the German government to

enhance its tax status as a religion.

Religious pluralism is a new fact of life on a continent long dominated by two major Christian churches. Its centuries of religious wars and the Holocaust may be history, but the rhetorical foundations of a secular society are being shaken anew by the continent's growing Muslim community that has made Islam the third religion of France, Germany and Britain.

Much of a new generation is coming of age with little or no religion as a point of cultural and personal reference. The post-World War II generation could still remember a tradition; but since they did not pass it on, their children are religious blank slates.

For some this is an opportunity. The young "know nothing of religion, so they have no prejudices against it," observed Neil Bloor, a Mennonite church historian in a Paris suburb. "Some of

them even think Jesus and God are American inventions."

Such are the spiritual temptations for the young that Nick Cuthbert, founding pastor of a contemporary-style Protestant church in a suburb of Birmingham, England, devoted a recent Sunday message to the pitfalls of easy belief — and in so doing suggested what the old churches, even the ones trying to modernize, are up against in today's thriving European religious marketplace. He named Ouija boards, "The X-Files" television series, witchcraft, levitation, divination, fortune-telling, palmistry and astrology.

Indeed, many young people exhibit a phenomenon familiar to American sociologists of contemporary religion: "zapping" among religions, surfing for faiths that appeal to them. "Religion, like so many other things, has entered the world of options, lifestyles and preferences," Mrs. Davies said.

"We believe, but we don't practice," said Vicente Gamon, an electrician, one evening at his local fallas clubhouse in Valencia. Across the table, Juan Costa, a mason, put it differently. "We are Catholics, but we are not believers," he said.

"My parents taught me about God, but the ideas didn't conform to reality, so in the course of my life I created my own," he added.

Not everyone has left the church, and those who have remained or come back have been drawn down one of two seemingly divergent paths that represent the growth sectors of European religiosity.

One is toward contemporary expressions of faith in a secular vernacular often inspired by American churches that demystify and defamiliarize religion with rock music, sneaker-wearing pastors and messages that emphasize psy-

chological counseling, social justice and environmental protection. Much of Europe's environmentalist movement is rooted in churches.

The other path is directed toward Christian roots, toward old and sacred forms of religious expression, including Latin prayers, ornate liturgies, the burning of incense and a rediscovery of mystery and emotion. These are often called charismatic Christians.

Much of the first trend echoes practices in the United States. The typical American's strong religious identification and continuous reinvention of religious practices are often remarked upon by Europeans who, after all, bequeathed most Americans their religious doctrines and traditions.

Claire Laporte-Bisquit, 36, is a case in point. An artist, teacher and mother of two who lives in Paris, Mrs. Laporte-

Bisquit left the Catholic church as an adolescent and looked ahead to life as an atheist. Then a friend gave her a Bible and introduced her to a Protestant evangelical community that she first embraced, then found cloying, even "paranoid" about outsiders.

She moved to Washington for four years and found an American evangelical church she liked — a "marvelously managed" place where, unlike the typical French church, her children were welcomed and ethnic minorities were abundant. Upon returning to France she joined the nondenominational American Church on the Left Bank of the Seine for the same reasons.

Mrs. Laporte-Bisquit feels liberated from a Catholic religion that was "a ritual, not a true statement of faith."

"I don't like to be obliged to think something," she said.

EDITORIALS/OPINION

Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

Carnage in Mexico

Whoever is ultimately found responsible for the massacre in Chiapas, the pre-Christmas carnage is a new blow to public confidence in Mexico's ruling party and a challenge to the reform plans of President Ernesto Zedillo. Responding swiftly to charges that local authorities may have protected or failed to head off the killers, Mr. Zedillo has assumed federal control of the investigation.

Eyewitnesses say invaders wielding machetes and AK-47 assault rifles attacked the hamlet of Acteal and, over a period of many hours, hunted down and killed 45 unarmed Indian inhabitants, including 15 children. Survivors say the attackers were associated with the local branch of Mr. Zedillo's Institutional Revolutionary Party, or PRI. PRI leaders, including the governor of Chiapas, Julio César Ruiz Ferro, deny any involvement. But church leaders say state authorities ignored warnings of the attack and Red Cross officials say security forces prevented medical workers from entering the hamlet as the slaughter continued.

The federal investigation, which will be led by Attorney General Jorge Madrazo Cúellar, must now be pur-

sued wherever it leads. Mexico's recent record of investigating politically sensitive crimes is poor.

There still has been no satisfactory resolution of the 1994 assassination of the presidential candidate Luis Donaldo Colosio Murrieta. Prosecution of former President Carlos Salinas de Gortari's brother over murder and corruption charges is stalled. Federal probes into crimes by two PRI state governors ended without appropriate punishments. Another investigative fumble would seriously damage Mr. Zedillo.

Chiapas is where Zapatista rebels launched a brief armed rebellion on New Year's Day 1994. Because it raised the cause of Indian rights in one of Mexico's poorest, least democratically governed states, the revolt won broad national sympathy. It also fed disillusionment with the PRI that led to the party's defeat in congressional elections last summer.

The butchery in Acteal resembled death-squad atrocities in nearby Guatemala, something most Mexicans thought could never happen in their own country. Sadly, they were mistaken.

—THE NEW YORK TIMES

The Nichols Verdict

The willingness to judge with all the meticulous hair-splitting of real justice a man accused of spurning the most basic elements of humanity is one of the emblems of a civilized society. This discipline sometimes yields muddled and confusing results, and the verdict Tuesday in the second Oklahoma City bombing trial is one such outcome.

The government proved beyond a reasonable doubt, the jury found, that Terry L. Nichols had conspired to use a weapon of mass destruction. At the same time, Mr. Nichols is not guilty of actually using the bomb or murdering the eight law-enforcement officers who were killed when it detonated. Somehow, however, he is guilty of involuntary manslaughter in their deaths, despite the fact that what happened in Oklahoma City on April 19, 1995, was in no sense involuntary but a case of deliberate mass murder.

The verdict does not, on its face, make a lot of sense, and some second-guessing is inevitable. But the second-guessing actually misses the point. The verdict is a mature refusal by the jury either to equate Mr. Nichols with Timothy McVeigh — who was convicted of detonating the bomb — or to acquit him entirely. In the face of one of the most atrocious crimes in American history, in other words, this jury has insisted upon gradations of responsibility, and that is a quiet triumph for the U.S. judicial system.

The evidence that Mr. Nichols helped plan the bombing was always stronger than the evidence that he helped carry it out. The receipt for the ammonium nitrate allegedly used in the bomb was found in his house, for example, but Mr. Nichols was at home in Kansas when the bombing actually took place. The jury's conviction for

the conspiracy but acquittal for the bombing itself, therefore, does not seem unreasonable.

Unlike Mr. McVeigh's attorneys, Mr. Nichols's lawyers created a somewhat plausible alternative to the government's narrative of their client's role: they argued that he was trying to build a life for himself and his family, not plotting to bomb anything.

Most important, Judge Richard Matsch offered the jury the middle path of convicting Mr. Nichols of manslaughter instead of murder — a recognition that his role could be seen as less central than Mr. McVeigh's. This option, which Judge Matsch did not offer in Mr. McVeigh's case, permitted jurors to convict Mr. Nichols of being essentially a junior partner in Mr. McVeigh's crime.

What the verdict lacks, of course, is the ringing clarity of Mr. McVeigh's conviction. Already, some have criticized both Judge Matsch for permitting the jury to consider the manslaughter alternative and the jury for doing so. The disappointment is understandable, even though Mr. Nichols will probably face stiff punishment, perhaps even the death sentence, for the conspiracy conviction.

Understandable but wrong. The purpose of this trial was not to convict Mr. Nichols but to decide the question of his guilt. A judge and jury do not succeed only if a trial yields the most emotionally satisfying result. They succeed if a jury manages to weigh the evidence and then craft the complexities of real-life crimes into stark, often arbitrary, legal categories in an environment insulated from emotional calls for revenge. That is precisely what happened in the trial of Terry Nichols.

—THE WASHINGTON POST

Turkish-Israeli Bond

The geopolitical crowd is much taken with Turkey's turn toward an increasingly deep and open relationship with Israel. The turn promises strategic company and a range of political and economic comforts to two countries otherwise rather isolated and inclined to seek friends beyond their immediate neighborhoods.

Israel can use Turkey as an offset to hostile regimes in Syria, Iraq and Iran. Turkey can use Israel to bolster a stressful international position challenged recently by a culturally aloof Europe. Together, Muslim Turkey and Zionist Israel dispose of powerful military forces and abundant other human, technological and natural resources. Their cooperation creates a major power center even if it falls short of consummating an actual military alliance.

The two share something else: Each relies on the United States as its principal support for its own independent foreign policy. This gives Americans a particular stake in the outcome of any strategic reformation. The United States is Israel's single protector and guarantor, and the patron of Turkey's Western as against its Islamic tendency. In each role Washington draws a certain amount of regional status, but it has been by and large loyal to its two special, relatively

isolated Middle Eastern friends. The political phase now emerging is bound to test Americans on two fronts. In the Cold War years, the United States followed a policy of folding Turkey into NATO in order to contain Soviet power. Turkey remains useful to stabilize its neighborhood of erratic, rule-breaking states. But the very Turkish element — the army — that has won American favor has also drawn American political disfavor for egregious Turkish breaches of human rights and Kurdish rights and on other political issues. The Clinton administration remains eager to anchor Turkey in the West sufficiently to hearken to the West's appeals on these issues. But the more strategically valuable Turkey becomes, the more it is tempted to brush off those appeals.

Israel's situation is different. A Turkish connection measurably strengthens its security, especially as its attention turns to potential threats from countries — notably, Iraq and Iran — beyond its immediate perimeter. But a Turkish connection can also reduce Israel's perceived need to negotiate settlements inside that perimeter with the Palestinians and Syria. It will take a lot of American arguing to persuade Israel that the stronger its army and diplomacy make it, the safer a negotiated peace can be.

—THE WASHINGTON POST

Kim, Jospin, Blair: Committed to Religious Values

By Jim Hoagland

WASHINGTON — A century after Nietzsche and Marx pronounced God dead, religious faith remains a driving force in national and world politics — for good and bad. At Christmas, set aside the religious zealots. Look instead at the three most interesting new faces inducted into the pantheon of world leaders in 1997 and their open commitment to healthy religious values.

Those values were important to the election of Kim Dae Jung in South Korea this month, and to the elections of Tony Blair in Britain and Lionel Jospin in France this spring. Each has indicated in convincing ways that his style of governance will be informed by his own concept of Christianity and the moral codes that derive from religion.

The results of these elections are culturally paradoxical: Catholic France has in Mr. Jospin a Protestant prime minister. Mr. Blair, an Anglican like most Britons, regularly attends Roman Catholic Mass. And traditionally Confucian South Korea has elected in Mr. Kim a devout Roman Catholic to lead it out of the most serious financial crisis it has ever faced.

Their coming to power may be rooted solely in local issues. Their examples may turn out to be three straws in the wind.

But these three leaders represent a fresh start for voters disgusted with the

shoddy ethics and betrayal of values they perceived in the establishment parties that Mr. Blair, Mr. Jospin and Mr. Kim displaced. These "outsiders" evidenced moderation, personal probity and ethical commitments not only as candidates but also in their daily lives.

In his first crucial postelection public statements intended to reassure his countrymen and the international investors who have brought the South Korean economy to its knees, Mr. Kim emphasized the strength of his faith in Christianity as a source of stability in his life and for his leadership to come.

That sentiment is not new or situational for Mr. Kim. During his bleak exile in the United States in the 1980s, he frequently told American visitors that his religious convictions, including man's duty to serve the community at large, explained his willingness to defy assassination attempts, jailing and torture to stay in politics.

Mr. Jospin and Mr. Blair never had to face such tests. But the election results and public opinion polls conducted since show that they have convinced many of their compatriots that they have come to politics as a matter of duty rather than self-aggrandizement and lust for power.

Mr. Jospin lives up to French stereotypes about Protestants: sober to the point of puritanical, thrifty to the point of auster. His unbending commitment to heading a French government that is beyond moral reproach is a welcome relief for French voters after the scandals and excesses of the Socialist

Each has indicated that his style of governance will be informed by his concept of Christianity.

and Gaullist governments of the past two decades.

Mr. Blair has most openly and best articulated the connection between modern religious belief and political behavior. As Labour Party leader, he occasionally preached at Anglican services. On most Sundays, he accompanies his wife, Cherie, a devout Catholic, to Mass. And at Easter in 1996, he took the enormous risk of appearing to wear his religion on his sleeve by writing an article in *The Sunday Telegraph* called "Why I Am a Christian."

Christianity, Mr. Blair wrote in what would become a blueprint for the brilliantly centrist 1997 campaign, informed both his rejection of a "narrow,

selfish Conservatism," which denied the individual's relationship to the community, and of Marxism, which "observed the importance of personal responsibility."

Modern politicians, Mr. Blair suggested, have become too much like Pontius Pilate about to condemn Jesus to death: "The intriguing thing about Pilate is the degree to which he tried to do the good thing rather than the bad. ... One can imagine him agonizing, seeing that Jesus had done nothing wrong, and wishing to release him. Just as easily, however, one can envisage Pilate's advisers telling him of the risks, warning him not to cause a riot or inflame Jewish opinion. It is a timeless parable of political life."

Nearly 2,000 years after Pilate's political choice, the story of Christ still inspires entire nations and challenges their leaders to be more ethical and just.

Pope John Paul II has once again provided an example of the continuing power of religion in politics. In arranging his visit to Cuba next month, the Pope persuaded Fidel Castro to let Cubans celebrate Christmas as a national holiday for the first time since 1968.

It is Nietzsche and Marx who are dead. God seems to be doing fine, as Mr. Castro is about to discover.

The Washington Post

Asia's People Have Not Yet Slammed Into the Pavement

By Thomas L. Friedman

WASHINGTON — Thinking about the economic crisis in Southeast Asia reminds me of a joke about being on the 30th floor of a hotel, looking out the window and suddenly seeing a man falling past your room.

"How you doing?" you ask him as he sails by. "Fine," he says. "So far."

And so it is with the Asian economies. This crisis has just begun.

Korea and its neighbors are still far from having hit bottom. Their crises are still confined largely to stock markets and currencies.

But soon bankruptcies will mount, real estate prices will plummet and the real economy, real jobs and real people will hit the pavement.

Even then the story won't be over. Because what's happening in Southeast Asia today is also a China crisis, an education crisis and a political crisis.

The China crisis: A Thai businessman summed it up for me in one sentence: "China can make everything we do now — only cheaper."

China's low wage structure doesn't really threaten Amer-

ica, because China doesn't make the high-end products America specializes in. But China helped trigger this latest crisis by using its cheap wages and cheap currency to undersell its neighbors.

Tom Banker runs Gemessence, a gem-cutting business in Bangkok.

"The Chinese are now doing the cutting the Thais used to do,"

Soon bankruptcies will mount, real estate prices will plummet and ordinary people will get hit.

he told me. "Because the Thai currency was pegged to the dollar, my labor costs tripled from 1987 to 1997 without a tripling in productivity. I was trying to keep 220 Thai employees busy, but as labor costs kept going up I couldn't justify cutting cheap

stones here. My average worker here gets \$200 a month. In China it's \$50 a month. So I cut my staff here to 68 people, who only do the most sophisticated work. The rest I moved to China."

The education crisis: To keep ahead of China, Indonesia, Malaysia and Thailand need to move up the knowledge ladder so they can produce more sophisticated products and leave the low end for China. The problem is that Thailand has compulsory education only up to sixth grade. Worse, the education systems in Southeast Asia do not encourage innovation, creativity or independence of thought. They can mimic Bill Gates, they can consume Bill Gates, but they can't create Bill Gates.

Or to paraphrase a recent analysis in *The Economist* magazine: In Japan and Southeast Asia the nail that stands up gets hammered down. In America that same nail is driving a Ferrari in Silicon Valley.

Norani Othman, a Malaysian Muslim intellectual, told me in Kuala Lumpur last week:

"There is a jingle that runs after the news here that celebrates Information Technology — IT. It says: 'Love IT, learn IT, IT is the only way to our future.' But it's just a mantra. The government is not educating a generation that can indigenize real information technology, authenticate it and reproduce it themselves."

"Students learn by rote, like a bunch of robots."

The political crisis: Chanokphat Phitsakwanokoon, a 40-year-old Thai-Chinese woman, sells cigarettes and Chinese dumplings at a sidewalk stall off Bangkok's Wireless Road. How's business? I asked the other day. Down 30 percent, she said. I asked if she knew what a stock market was.

"Yes," she answered without hesitation. "I own shares in Bangkok Bank and Asia Bank. My relatives were all buying, so I bought, too. They are not worth much now."

This is a dumpling seller with a fifth-grade education and no shoes — but she owns stocks. This crisis reaches very deep. Will people like Chanokphat Phitsakwanokoon lead a backlash

against leaders who tell them the only way out of this crisis is more bitter IMF medicine and more globalization? Hard to know. If this were the Middle East, demonstrators would have already burned down International Monetary Fund offices.

But people here tend to be more pragmatic. The initial reaction is to cut back, save more, work harder. But for how long? The falling bodies still haven't hit the pavement.

The next six months will be the most critical political moment for Southeast Asia since decolonization. If the liberal democrats now taking over in Korea and Thailand can turn things around quickly, great. But they're going to have to break some powerful forces — the crony capitalists, politicians and bankers who benefited from the old system.

If the pain of reform cuts too deeply and too widely, you could get a merger (as happened in Iran against the shah) between the crony capitalists and the urban underclass against the liberal democrats.

That's the danger. The New York Times

To the North's Jeers, Korea Fights to Survive the IMF

By Chalmers Johnson

LOS ANGELES — Kim Dae Jung, the liberal newly elected president of South Korea, has his work cut out for him.

In addition to having to pay to keep 37,000 U.S. combat troops in his country with a Korean currency that has lost half its value in U.S. dollars, his northern neighbor is trying to exploit South Korea's economic woes.

On Tuesday, The New York Times carried a full-page, color ad depicting the North Korean leader Kim Jong Il and announcing that he had emerged "as the Lodestar for Sailing the 21st Century."

While South Korea has just been forced to accept what it considers to be humiliating conditions from the International Monetary Fund in exchange for a financial bailout, North Korea was saying, in effect, to Koreans everywhere: "If you don't like what's happening in the South, we are the true patriots ready to receive you with open arms."

Never mind that North Koreans also have received their share of bailouts this past year, of rice and other food for the starving population. But there were no humiliating strings attached to that aid, least of all one forbidding them the waste of \$85,000 on a self-celebratory newspaper advertisement.

Koreans on both sides of the Demilitarized Zone are a proud, nationalistic people. North Koreans insist that they were more fierce in resisting Japan during World War II, and this is stressed several times in their ad.

Kim Jong Il is described as being born "in a secret camp of anti-Japanese guerrillas" to "young General Kim Il Sung, who was leading anti-Japanese struggles to win Korea's independence, and Madame Kim

Jong Suk, who was an anti-Japanese woman fighter."

It may have struck some readers as odd, therefore, that the ad was placed by people living in Japan. But Japan is home to about 800,000 Koreans, many of whom support North Korea with financial remittances and other means.

Japan, which was the hated colonial overlord of Korea for 40 years before World War II and which still treats even second- and third-generation Koreans born in Japan as virtual outcasts, has long turned a blind eye to these remittances and other forms of support for North Korea.

This is one reason why the United States, in the event of another conflict on the Korean Peninsula, would be foolish to suppose that Japan would actually honor the Japan-U.S. Security Treaty by becoming involved in any military way.

But North Korea clearly did not place this ad in order to incite Americans or South Koreans to war. Quite the opposite. This is a bit of gloating by some noncapitalists over the misfortunes that have befallen their capitalist brothers.

It should also serve as a warning to the United States that the IMF's arrogant demands that Asian economies such as South Korea, Thailand and Indonesia refashion themselves to look more like the West may backfire in quite spectacular and unexpected ways.

In the mid-1980s, the IMF imposed similar conditions on Vietnam, which rapidly became the investment haven of choice for Korean companies making Nike shoes and other apparel that used to be made in South Korea.

If the South Korean economy is now forced to contract severely, it is sure to take down with it many of its investments in places such as Indonesia, China and Vietnam.

The South's new president-elect, Kim Dae Jung, is a great Korean patriot. Previous military regimes have tried to assassinate him.

He also represents the people of southwestern Korea, who

have long been discriminated against politically and economically and who were the victims of the American-condoned massacre of protesters in Kwangju in 1980.

If Mr. Kim now succeeds in mobilizing the nationalism of the South Koreans to take only from the IMF what is compatible with Korean culture, he will go down as the best president since Park Chung Hee.

If he should also invite the American troops to go home and negotiate a real modus vivendi with his starving but equally proud compatriots to the North, he may become the greatest Korean politician of all time.

The writer, president of the Japan Policy Research Institute in Cardiff, California, contributed this column to the Los Angeles Times.

Letters intended for publication should be addressed "Letters to the Editor" and contain the writer's signature, name and full address. Letters should be brief and are subject to editing. We cannot be responsible for the return of unsolicited manuscripts.

The Wrong Message to Bosnians

By Slavenka Drakulic

LYNCHBURG, Virginia — President Bill Clinton's message to the Bosnian people this week was simple: We brought you peace, and now it is up to you to do something with it. Take your destiny in your own hands!

A beautiful message, indeed, but to American — and, therefore, not of much use in Bosnia.

Wrong, President Clinton. Peace is not now up to the Bosnian people — or to any other people in the region — because it was never their choice to wage war to begin with.

There are several rules that Mr. Clinton, and the leaders of every other country in the United Nations, should keep in mind when dealing with the Balkans.

First, the key to peace is to be found not in Bosnia but in Serbia and Croatia.

Second, the nature of power in these states is that of the "demokratia" — an authoritarian leadership legitimized by democratic elections.

This is the rule in the Yugoslavia of Slobodan Milosevic and the Croatia of Franjo Tudjman — and is nearly true of President Alija Izetbegovic's Bosnia.

Third, the same leaders who started the war will stick to it as long as they can. War is good for them. It helps them stay in power and allows them to avoid confronting issues like corruption, the collapse of the economy and unemployment.

Therefore, they don't have any real interest in peace. They can promise peace, or even sign peace agreements, but in reality they will work against everything they promised or signed.

Finally, the fourth rule is: "The world has the memory of a fish," as an Albanian proverb goes. Tomorrow, the United States will turn its attention to some other country — Iraq, perhaps, or China — and the Balkan leaders will

continue to do exactly what they want.

I do not blame Mr. Clinton. How could he or his advisers know all this? They come out of a strong democratic tradition where words such as "it is up to you now" mean something.

In the Balkans, communism is not yet dead, and the idea that the people can take their destiny in their own hands means nothing.

The solution to the Bosnian problem is at the very top, the same place where the problem originated.

Still, I am happy that the Americans are staying in Bosnia for the time being. At least this means another year of peace, if nothing more. But I know that is not the solution. So must Mr. Clinton.

The writer, a visiting professor at Randolph-Macon Woman's College, is the author of "Cafe Europa: Life After Communism." She contributed this column to The New York Times.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1897: Parisian Holiday

PARIS — The celebration of Christmas in Paris bears a very faint resemblance to that which prevails in Anglo-Saxon countries, where it is the general custom to go to church in the morning and spend the rest of the day in feasting and merriment. The most outward signs of Christmas, however, are the Saint-Cyrians, who through the streets and boulevards, their pretty light uniforms and tri-colored plumes contributing a bright note to the somewhat sombre aspect of the city.

1922: Dry Christmas

NEW YORK — Dry agents finally succeeded in overtaking public drinkers, and as a result New York had a nearly dry Christmas Eve. Last night (Dec. 24) was virtually without celebration, although possibly the fact that it was Sunday aided in

keeping people at home. A reporter entering one restaurant greeted the prominent proprietor with a "Merry Christmas," and all he got in return was: "You go to Hell."

1947: Czech Appeal

PRAGUE — President Eduard Benes said Czechoslovakia's reconstruction was "endangered" by the selfish demands of individuals and political parties and appealed to the Czechs to "conquer the remnants of lying, dishonesty and demoralization which are the terrible heritage of war." The President's annual Christmas Eve "peace message" said 1948 would be a year of anniversaries when Czechs would be "confronted with the brightest pages of our history." He cited the 1848 revolution, the abolition of serfdom, the founding of Prague's Charles University 600 years ago, and the first all-Slav Congress in 1848.

Herald Tribune

ESTABLISHED 1897

KATHARINE GRAHAM, ARTHUR OCHS SULZBERGER

Co-Chairmen

KATHARINE P. DARROW, Vice Chairman

RICHARD McCLEAN, Publisher & Chief Executive

MICHAEL GETTLER, Executive Editor

• WALTER WELLS, Managing Editor • PAUL HORVITZ, Deputy Managing Editor
• KATHERINE KNORR and CHARLES MITCHELLMORE, Deputy Editors • SAMUEL ABT and CARL GEWIRTZ, Associate Editors • ROBERT J. DONAHUE, Editor of the Editorial Pages
• JONATHAN GAGE, Business and Finance Editor
• RENÉ BONDY, Deputy Publisher
• JAMES McLEOD, Advertising Director • DIDIER BRUN, Circulation Director.
Directeur de la Publication: Richard McClean

International Herald Tribune, 181 Avenue Charles-de-Gaulle, 92231 Neuilly-sur-Seine, France.
Tel: (1) 41.43.93.00. Fax: Subscriptions, (1) 41.43.92.10. Advertising, (1) 41.43.92.12. News, (1) 41.43.93.33.
Internet address: <http://www.ihb.com> E-Mail: ihb@ihb.com

Editor for Asia: Michael Richardson, 5 Convent Road, Singapore 19000. Tel: (65) 472-7708. Fax: (65) 274-2334
Mtg. Dir. Asia: Terry Danner, 50 Gloucester Rd., Hong Kong. Tel: 852-3622-1188. Fax: 852-3622-1190
Gen. Mgr. Germany: T. Schiller, Friedlandstr. 15, 10117 Berlin. Tel: 49-30-9071230. Fax: 49-30-9071230-20
Pres. U.S.: Michael O'Connell, 800 Third Ave., New York, N.Y. 10022. Tel: (212) 723-3800. Fax: (212) 723-8788
U.K. Advertising Office: 65 Long Acre, London WC2E 3AF. Tel: (171) 836-4002. Fax: (171) 240-2254
S.A.S. au capital de 1.200.000 F. RCS Nanterre B 732021120. Comptabilité Partielle No. 61337
© 1997, International Herald Tribune. All rights reserved. ISSN: 0294-0027

INTERNATIONAL

Toshiro Mifune, 77, Dies; Japanese Movie Star

The Associated Press

TOKYO — Toshiro Mifune, 77, a legend of Japanese movies and the star of such classics as "The Seven Samurai" and "Yojimbo," died Wednesday at a hospital in the Tokyo suburb of Minaka of multiple organ failure, the Kyodo news agency reported.

An icon of Japanese film, Mr. Mifune had parts in more than 130 Japanese and English-language movies. He was best known for rugged and stoic warrior roles under the direction of Akira Kurosawa.

Mr. Mifune's movies were widely imitated in Hollywood. "The Seven Samurai" was remade as "The Magnificent Seven" starring Yul Brynner, and "Yojimbo" became "A Fistful of Dollars" starring Clint Eastwood.

"He was like America's John Wayne, Burt Lancaster and Charles Bronson rolled into one," said Jun Ishiko, a film critic in Tokyo. "He is the last great Japanese movie star."

Born in China in 1920, Mr. Mifune was repatriated to Japan after World War II and became an employee of the Toho Co. film studio in 1946. He intended to work as an assistant cameraman but took a chance and auditioned for acting roles.

He appeared in his first movie in 1947 and the following year starred in the Kurosawa film "Yoidore Tenshi" (Drunk Angel). In all, Mr. Mifune acted in 16 Kurosawa movies, including "Rashomon" in 1950, which won international fame for Mr. Mifune as well as the 1951 Academy Award for best foreign film.

He established a reputation as one of Japan's greatest actors, with parts running the gamut from samurai to modern-day policemen to drunken Indian peasants. Though he excelled as a sword-wielding warrior, he brought sensitivity and psychological complexity to all his roles.

"He was one of the greatest actors of the golden age of Japanese cinema," said Chris Betros, a film critic based in Tokyo. "A lot of his characters symbolized the loner who sticks up for the little guy."

Mr. Mifune took the prize for best actor in two Kurosawa works at the Venice Film Festival. "Yojimbo" in 1961 and "Red Beard" in 1964. But the next year the two men had a falling-out, an incident that both usually declined to discuss.

Mr. Mifune later leaned toward television and foreign films, such as "Hell in the Pacific" (1968) with Lee Marvin and "Midway" (1976).

He may be best known outside Japan for his role as Lord Toranaga in "Shogun," the 1980 television series based on James Clavell's bestseller.

"I'm not always great in pictures," Mr. Mifune was quoted as having said in 1984. "But I'm always true to the Japanese spirit."

Marion Bell, 78, Originated Role In 'Brigadoon' on Broadway

NEW YORK (NYT) — Marion Bell, 78, who created the leading role of Fiona MacLaren in the original Broadway production of the Alan Jay Lerner-Fredrick Loewe musical "Brigadoon" in 1947 and then married Mr. Lerner, died Dec. 14 at the Brotman Medical Center in Culver City, California.

As the innocent young woman in the mysterious Scottish town that comes back to life one day every 100 years, Ms. Bell captivated critics as well as theatergoers. For her role in "Brigadoon," she won many awards, including the Donaldson Award for best debut performance by an actress in a musical.

Frank Waldrop, 92, Ex-Editor Of Washington Newspaper

NEW YORK — Frank Campbell Waldrop, 92, an author and journalist who had been editor in chief of The Washington Times-Herald, died Sunday at Sibley Memorial Hospital in Washington.

A native of Alabama, he moved to Washington in 1933 to work as a reporter for The Herald. The paper merged with The Times of Washington, and Mr. Waldrop became executive editor in the late 1940s. He left The Times-Herald in 1953 and was later a consultant to the State Department.

Giorgio Strehler, 76, an Italian theater director who founded Milan's Piccolo Teatro 50 years ago, died Thursday in his home in Switzerland, RAI state television reported. Mr. Strehler,



Toshiro Mifune, right, as a samurai warrior in "Yojimbo," a Kurosawa movie made in 1961.

who took his works on much-applauded tours through Western and Eastern Europe, North America and Latin America, also directed operas.

Robert C. Dean, 94, the architect who designed the American Military Cemetery in Cambridge, England, and helped with the restoration of Colonial Williamsburg in Virginia, died Sunday in a nursing home near Boston.

Mario Ferrari Aggradi, 81, a former senator and a minister in nine of Italy's Christian Democratic governments, has died. He was agriculture minister in four governments and also held the transport, finance, Treasury and communications portfolios.

Kaunda Spends Christmas in Prison

Compiled by The Staff From Dispatches

LUSAKA, Zambia — Kenneth Kaunda, the former president of Zambia who led the country to independence in 1964, spent Christmas in prison after being detained under a state of emergency by paramilitary police armed with assault rifles.

Mr. Kaunda, 73, agreed to go to police headquarters for questioning three hours after about 40 paramilitary police surrounded his suburban Lusaka house at dawn on Christmas morning.

Once in custody, Mr. Kaunda was ordered detained for 28 days under provisions of the state of emergency that followed a failed coup attempt on Oct. 28 against his successor as president, Frederick Chiluba. Mr. Chiluba defeated Mr. Kaunda in multiparty elections in 1991.

Mr. Kaunda was in South Africa at the time of the coup attempt and spent the last two months in Zimbabwe.

He returned home last weekend, saying he was happy to join all-party reconciliation talks offered by Mr. Chiluba's Movement for Multiparty Democracy to iron out political differences.

Wezi Kaunda, the former president's eldest son, said Thursday his father would refuse to sit until he was brought to court or faced specific charges. According to Wezi Kaunda, his father was a strict vegetarian who only ate uncooked meals.

Mr. Kaunda's detention came four days after he returned to the country from a lengthy lecture tour. He was away when riotous soldiers seized control of the state radio studio and broadcast they had overthrown Mr. Chiluba. Loyal troops quickly crushed the rebellion and Mr. Chiluba declared the state of emergency.

Opposition groups accused Mr. Chiluba of using the emergency declaration to crack down on political enemies.

Wezi Kaunda and his father's house-

keeper were the only visitors permitted to see Mr. Kaunda on Thursday at Kamwala holding prison. They said Mr. Kaunda was being held in a communal cell with more than two dozen men facing criminal charges.

"The conditions in there are terrible. It is lice-infested," said Wezi Kaunda, adding that he believed his father was taken to the overcrowded, aged prison on Christmas Day out of "vindictive, ness, to settle old scores and to humiliate him."

Sacika Sitwala, a lawyer for Mr. Kaunda's opposition United National Independence Party, accused police of "a breach of trust" in detaining Mr. Kaunda, who has insisted that he knew nothing about the coup attempt.

Mr. Kaunda formed UNIP in 1958, won power in 1963 and oversaw the end of British rule the next year, making Zambia the first country in the region to win independence.

(AP, Reuters)

BRIEFLY

Opposition Leader Leaves Jail in Iran

TEHRAN — The leader of a liberal opposition group was freed on bail Thursday after spending 11 days in jail, the official Iranian press agency IRNA reported.

The agency said Ibrahim Yazdi, 65, had been charged with "insulting sacred religious values" of the Islamic republic.

His trial is pending. Mr. Yazdi, the leader of the Freedom Movement of Iran, has been under attack by conservatives for challenging the supremacy of the Iranian spiritual leader, Ayatollah Sayed Ali Khamenei.

Mystery Disease Kills 42 in South Somalia

NAIROBI, Kenya — Medical experts spent Thursday collecting specimens from Kenyans and Somalis stricken by an undiagnosed illness that has caused at least 45 people to hemorrhage and die.

The Somali Red Cross confirmed an outbreak in southern Somalia of a disease similar to that reported in Kenya. Red Cross officials said 42 people had died in Torotorow. All had high fevers and had vomited blood.

Doctors in Kenya have confirmed three deaths in the town of Garissa, apparently from the same disease, and were trying to verify reports of 171

other deaths in northeastern Kenya. One of the victims had severe malaria, but the World Health Organization said it was not known whether malaria had caused any other deaths.

(AP)

Storms' Toll in Peru

GENEVA — Floods and landslides in Peru caused by the El Nino weather phenomenon have affected nearly 10,000 people, damaged 1,400 houses and destroyed crops, the UN Department of Humanitarian Affairs said.

Several central and northern areas were cut off in December when roads and bridges were destroyed. Nine people were killed, and 2,763 hectares (6,820 acres) of banana and rice crops were destroyed.

(Reuters)

Algeria Massacre Toll Is Doubled From First Estimate

Compiled by Our Staff From Dispatches

ALGIERS — The death toll in massacres early this week in Algeria was between 80 and 120, or about twice as many as originally believed, news reports said Thursday.

The official death toll in three attacks overnight Tuesday in the Tiarret region, southwest of Algiers, was put at 59.

It was the first time since October that Algerian authorities had disclosed such deaths among civilians, though the attacks, which are usually attributed to Islamic militants, have been frequent since then.

The communiqué, however, did not indicate who was responsible for the killings.

The independent dailies El Watan and

Liberte reported Thursday that the massacres had left between 80 and 120 dead.

The three massacres took place less than a week before the start of Ramadan, the Muslim holy month, which is often marked here by an upsurge of violence on the part of Islamic militants.

Muslim fundamentalists are trying to overthrow the military-backed government to create a state based on Koranic law.

The insurgency began in early 1992 after the military canceled legislative elections that the fundamentalist Islamic Salvation Front was poised to win. It has claimed an estimated 75,000 lives.

As details were emerging of the massacres,

Algeria took another step toward completing a parliamentary election as local authorities elected in October started the selection of 96 members to the Council of the Nation, the upper house of Parliament.

The governing party, the National Democratic Rally, was expected to win most seats because it controls a large majority of the local authorities in Algeria's 48 provinces. The vote is limited to members of the local authorities.

President Liamine Zeroual will appoint the other 48 members of the 144-seat upper house, sealing his supporters' dominance of Parliament — which consists of the National Assembly, elected in June, and the Council of the Nation.

(AP, Reuters)

THE INTERMARKET

+44 171 420 0348

GENERAL

See Saturday's Intermarket for Arts, Friendships, International Meeting Point, Names & Donations. To advertise contact Sarah Worsfold on +44 171 420 0336 or fax +44 171 420 0338. A GREAT DEAL HAPPENS AT THE INTERMARKET

Legal Services

DIVORCE - 1 DAY CERTIFIED
Call or Fax (714) 988-8885. White 15/87
Bench Div. 4127, Huntington Beach, CA
92648 USA. e-mail: wds@att.net

DIVORCE IN 1 DAY. No travel. Write:
Box 377, Sudbury, MA 01776 USA. Tel:
978/443-0387, Fax: 978/443-0183.

Personals

O HOLY ST. JUD, apostle and martyr of great in virtue and rich in miracles, hear the prayers of those who invoke thee, O Holy St. Jude, in all their needs, for thou art the patron of all who are in need of thy aid. Help me in my present distress, for I am in need of thy aid. Help me in my present distress, for I am in need of thy aid. Help me in my present distress, for I am in need of thy aid.

MAY THE SACRED HEART OF Jesus be adored, glorified, loved and preserved throughout the world, now and forever. Sacred Heart of Jesus, pray for us. Saint Jude, brother of mine, pray for us. Saint Jude, brother of mine, pray for us. Saint Jude, brother of mine, pray for us. Saint Jude, brother of mine, pray for us.

MAY THE SACRED HEART OF Jesus be adored, glorified, loved and preserved throughout the world, now and forever. Sacred Heart of Jesus, pray for us. Saint Jude, brother of mine, pray for us. Saint Jude, brother of mine, pray for us. Saint Jude, brother of mine, pray for us. Saint Jude, brother of mine, pray for us.

Announcements

Herald Tribune
SUBSCRIBER CUSTOMER SERVICE:
For questions or queries about the delivery of your newspaper, the status of your subscription or about advertising a subscription, please call the following numbers:
EUROPE, MIDDLE EAST AND AFRICA:
TOLL FREE - Austria 0660 8120 Belgium 0800 17628 France 0800 437437 Germany 0180 400000 Greece 08000 2012 1506 Italy 167 78000 Luxembourg 0600 2705 Netherlands 0800 022 5158 Sweden 020 787008 Switzerland 0800 555777 UK 0800 020045 elsewhere (44) 1 4143001 THE AMERICAS:
USA (toll-free) 1-800-822-8884 elsewhere (41) 212 753000 ASIA: Hong Kong 022 117311 Indonesia 021 929 1829 Japan 03-5671 0120 Malaysia 221-7555 Philippines 021 4848 Singapore 221 1625 Taiwan 753048 Thailand 277 4452 elsewhere (44) 2022117

Announcements

BARENE AS 24
AU 25 DECEMBER 1997
Pret Hon TWA on direct route (production disposable not damaged) (Pret Hon TWA on direct route)

FRANCE (zone C) on FFL - TWA 20.9%
GO: 3.73 FOD: 2.82
SCOT: 5.37 SOSP: 5.22

UK (zone B) on FFL - TWA 17.5% (GO: 3.534 FOD: 0.3476 SCOT: 5.37 SOSP: 5.22)

ALLEMAGNE (zone D) on FFL - TWA 19%
AU 25/297
GO: 1.05 SCOT: 1.39

ZONE II - F: 1.82 SCOT: 1.43
ZONE IV - F: 1.82 SCOT: 1.44

BEELGIE (zone F) on FFL - TWA 21%
GO: 21.95 FOD: 10.69
SCOT: 33.06 SOSP: 31.18

HOLLANDE (zone G) on FFL - TWA 17.5%
GO: 1.304 FOD: 0.003
SCOT: 1.949 SOSP: 1.888

LUXEMBOURG on LUF - TWA 19%
GO: 19.22
SCOT: 19.22

ESPAÑE (zone A) on PTAS-TWA 19%
AU 29/297
GO: 84.83 FOD: 107.59
SCOT: 103.10 SOSP: 107.59

* Usage réglementaire

Auto Rentals

RENT AUTO DENIS FRANCE Weekend
FFR0. 7 days FFR100. Tel: Paris +33 (0)1 4368 5555. Fax (0)1 4368 9655.

Autos Tax Free

EUROPE AUTO BROKERS, INC
Tel: Holland 31(0)20-6054484 Fax: 31(0)20-6054484

Business Opportunities

OFFSHORE BANKS
COMPANIES & TRUSTS
IMMIGRATION/PASSPORTS
Banking/Accounting/Secretarial
Tel: Regency/Investing
Mid-Florida/Fax Services Worldwide
Aston Corporate Trustees
Austin, Vienna, Douglas, Isle of Man
Tel: +44 (0) 1824 828091
Fax: +44 (0) 1824 825126
London
Tel: +44 (0) 171 233 3302
Fax: +44 (0) 171 233 1519
E-Mail: aston@compuserve.net
www.aston-trust.com

Business Opportunities

OFFSHORE COMPANIES. For free brochure or advice Tel: London 44 161 741 1224 Fax: 44 161 740 6558/6538
www.offshore.co.uk

TELECOMMUNICATIONS

New Lower International Rates!
To the U.S. from:
Belgium..... 31¢
France..... 27¢
Netherlands... 23¢
Switzerland... 27¢
UK..... 17¢

• NO Set Up Fees
• NO Minimums
• NO Deposit
• Instant Activation
• Star-Second Billing
• AT&T Quality
• 24-hour Multi-lingual Customer Service

The Original
kallback

Tel: 1.206.599.1991
Fax: 1.206.599.1981
Email: info@kallback.com
www.kallback.com

417 Second Avenue West
Seattle, WA 98110 USA

International Herald Tribune ads work

Business Services

YOUR OFFICE IN LONDON
Bond Street, Mid. Phone, Fax, Telex
Tel: 44 171 220 9000 Fax 171 480 7517

Business Services

PRIME BANK
Guarantees
Venture Capital Finance Available
for Government Projects and
Government Companies
that are for sale
Large Projects are Specially
Advised. Long Term Finance for
Large and Small Companies
No Commission Until Funded

REPRESENTATIVE
Needed to act as Liaison
Please reply in English

VENTURE CAPITAL CONSULTANTS
Investment bankers
16311 Ventura Blvd., Suite 800
Beverly Hills, California 91605 USA
Fax: (818) 885-1888
Tel: (818) 785-0422
Holland: St. Assoc. Delta O.G. Laysted

HAESJE CLAES
Real Estate Company. Open from lunch until
night. Spoken 275
Tel: 604 99 98. Reservations recommended.
All major credit cards.

DE VLEGENDE SCHOTEL
Vegetarian kitchen.
Open daily 16.30 - 23.30
Kitchen open 17.30 - 23.15
Nieuwe Lasterstraat 162
Reservations 020-6220401.

PARIS 6th
A just temple since 1947
which has the greatest prestige
at the heart of Saint-Germain-des-Près.
for dinner or a drink.
Guaranteed view of a remarkable place.
13, rue Saint-Benoit. T. 01 45 48 41 84

PARIS 17th
KIRANE'S
New Indian Restaurant in Paris. Very
good prices. Open everyday.
For conditions: + 1 47 79 99
+ 1 47 79 99. Tel: 01 47 79 99 99
85, rue de la Chapelle. Tel: 01 47 79 99 99

PARIS 16th
LE BISTROT
A just temple since 1947
which has the greatest prestige
at the heart of Saint-Germain-des-Près.
for dinner or a drink.
Guaranteed view of a remarkable place.
13, rue Saint-Benoit. T. 01 45 48 41 84

Business Services

YOUR OFFICE IN LONDON
Bond Street, Mid. Phone, Fax, Telex
Tel: 44 171 220 9000 Fax 171 480 7517

Financial Services

PRIME BANK
Guarantees
Venture Capital Finance Available
for Government Projects and
Government Companies
that are for sale
Large Projects are Specially
Advised. Long Term Finance for
Large and Small Companies
No Commission Until Funded

REPRESENTATIVE
Needed to act as Liaison
Please reply in English

VENTURE CAPITAL CONSULTANTS
Investment bankers
16311 Ventura Blvd., Suite 800
Beverly Hills, California 91605 USA
Fax: (818) 885-1888
Tel: (818) 785-0422
Holland: St. Assoc. Delta O.G. Laysted

INTERNATIONAL
Herald Tribune
ads work

Real Estate for Sale

Caribbean
SIMPLY BEAUTIFUL ST LUCIA
Lush paradise island. Perfect opportunity
to own a beautiful island. 3000 sq. ft.
completely furnished. With private dock. Principles
only. Asking US\$250,000. Tel: Fax:
784-432041 E-mail: zee@stlucia.com

French Provinces
PROVINCE LOVELY LARGE OLD
HOUSE in charming village near Cordes,
garage, cellar, terrace, completely
renovated, great views. FF1,300,000. Tel:
+33 (0)4 70 72 50 94

French Riviera
CAP FERRAT - ELEGANT VILLA in de
luxe area. 3 bedrooms, 3 baths, sitting
dining, fireplace, private garden & en-
trance. Huge parking. complete. Tel: +33
(0)4 93 76 10 28 Fax: +33 97 97 10 61

Israel
BY THE SEA, for sale in Tel Aviv, 2.5
rooms, renovated, highest class, 100 m
from the sea, across Hilton, central
location, to preserve in Israel.
\$300,000. 03-658834. Fax: 03-6543008

TEL-AVIV, SEAWAY, near Marm Auditorium
4 rooms, 4 baths, 4 bedrooms, parking.
No Agents. 972-5178941

London
HOMESearch LONDON Let us
search for you. We find homes / flats
to buy and rent and provide complete
relocation services. For individuals
and companies. Tel: +44 171 839
1065 Fax: +44 171 839 1077
http://www.homesearch.co.uk/london

Paris and Suburbs
ST GERMAIN DES PRES - 18th cent.
HOUSE. 4 bedrooms, 4 baths, sauna.
Terrace, plenty of charm, immaculate
condition. Price: FF6,000,000. Tel: +33
(0)1 43 23 27 25 Fax: (0)1 43 23 27 41

USA Residential
NYC 5th Ave. 6.5 Rooms/3 Bedrooms
LUXURY ON FIFTH AVE
Spacious apartment. Large museum
prime building with balcony 200 sq
feet. 3.5 baths and closets galore.
\$1,500/mo.
212-330-8294/Fax: 212-336-8290

DOUGLAS ELLMAN
Manhattan, Gut Rehabed Brown-
stone prepped to sell at \$575,000. 5 apart-
ments + garage. Tel: 718-629-8016 USA

RESIDENTIAL REAL ESTATE

Real Estate for Sale

Caribbean

PALM BEACH GARDENS, FL.
STEEPLECHASE. One of a kind elee-
gance, convenience, acreage 4500 sq.
ft. 4/4.5, pool & guest house, 925K.
File Pending. RE/MAX NPB Inc.
(917)775-7306
E-mail: Pstern@earthlink.net

NYC 5th Ave. 2 Bedroom/2 Bath
PREWAR CONDO ON PARK
Location and style in Park Avenue
condo. Top floor. South/East corner
exposures. Wood-paneled fireplace. 12 ft
ceiling. Medicine. Full Service building.
Needs less than \$1. Good value. \$1,250K.
Morris Corry 212-360-2212

DOUGLAS ELLMAN

USA Farms & Ranches
THE GREATEST - MUHAMMAD ALI'S
Michigan farm. Gorgeous & beautiful, great
80-acre river property. 3 story home
office, 3 barns, tennis, 3000 pool. Ideal
family acreage investment! 2 hrs. to
Chicago. 20 minutes South Bend, IN. ac-
tively. \$1.5M. Needs K Real Estate
916-469-2090 Fax: 916-469-8230 USA

Real Estate for Rent

French Riviera
ST PAUL DE VENICE, villa, furnished,
300 sqm. Beautiful view on old village, 4
bedrooms, 4 bathrooms, outbuilding,
garden, swimming pool. FF2,000,000/mo.
ST JEAN CAP FERRAT, villa, furnished,
200 sqm. Panoramic sea view, 3 bed-
rooms, 3 baths, garden. FF15,000/month.
MAGNAN 0295 N.D. Tel: +33 094 93 32
90 45. Fax: +33 (0)4 32 32 34 34.

Holland
RENTHOUSE INTERNATIONAL
No 1 in Holland
for tenant furnished house/apartment.
Tel: 31-20-5440751 Fax: 31-20-5450008
Hofvoren 19-21, 1955 Am Amsterdam

Paris Area Furnished

Holiday Rentals

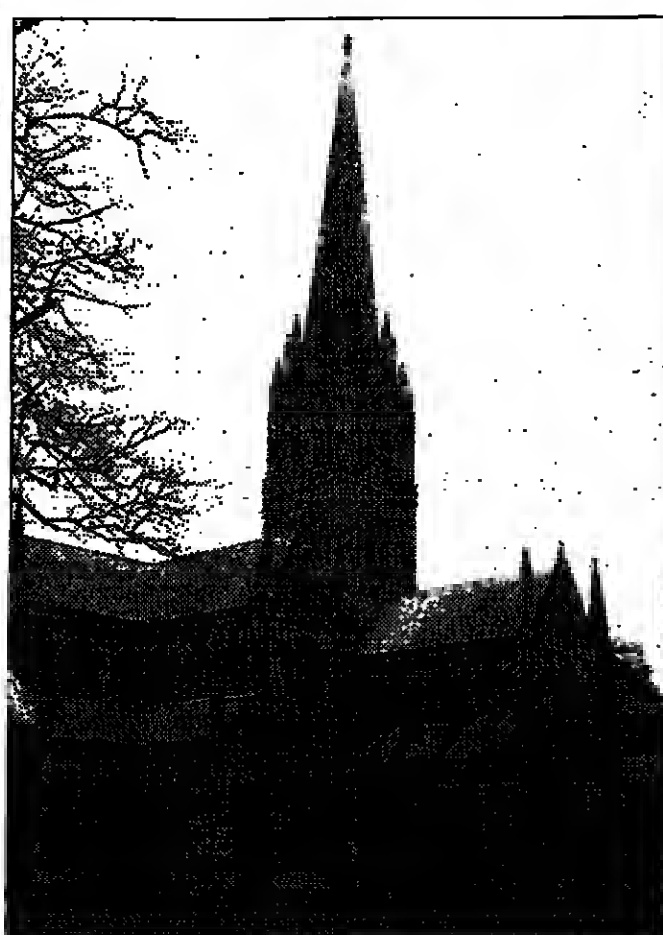
Caribbean
ST. BARTHELEMY, F.W.I., OVER 200
PRIVATE VACATION VILLAS - beach-
front to village with pools. Our agents
have inspected all villas personally. For
reservations on St. Bart's, St. Martin, An-
gilla, Barbados, Montserrat, Nevis, St. John,
St. Kitts, St. Lucia, Tel: 011-44-1849-8012/fax
011-44-1849-8012/fax

Lebanon
HOTEL AL BUSTAN

Durham and Salisbury: Spiritual Power in Stone



The marble tomb of the Venerable Bede draws pilgrims to Durham.



Salisbury Cathedral's spire was a later addition; at right, the effigies of Sir Richard Mompesson and his lady.

Secular and Religious History In a Romanesque Monument

By Marlies Simons
New York Times Service

DURHAM, England — Cathedrals, like castles, are about volume and power. Of the two, the cathedral normally soars higher and impresses the eye and the heart more deeply. At the same time, it proposes a puzzling contradiction: a mighty, physical presence that is meant to represent the intangible.

One impressive English example of secular and religious power embraced in stone stands in the northern city of Durham. This great Romanesque cathedral, begun in the late 11th century, rises on a high rock plateau above a bend in the Wear River and from its commanding position dominates the city and rolling fields and woods around it.

At first sight, its massiveness conveys awe and discipline rather than inspiration. It dwarfs the nearby castle and all else in Durham, a town of 80,000. It was intended this way. William the Conqueror ordered the cathedral and the castle to be built on this cliff to make a political and religious statement: This church and the defensive walls and gates surrounding it would seal the Norman's conquest of northeast England.

MORE THAN A BULWARK

Set in the wild and desolate border country of Northumbria, Durham was well-placed to stop the marauding Scots. But more than a bulwark, Durham cathedral became the finest of the Romanesque churches in England. The architects, who almost certainly came from Normandy, used techniques that England had never seen.

Over the great nave, they set a stone-ribbed vaulted ceiling that had not been tried on such a scale. Thus, while solving the problem of wooden ceilings that were forever catching fire, they also provided the building with a new sense of unity. It was a daring breakthrough.

Today, the keepers of the cathedral like to say how remarkably little this great building has changed in 900 years. The decorations inside, to be sure, were often altered or mutilated. But while early cathedrals elsewhere have sagged and shifted, and other Romanesque churches have been transformed, the mammoth of Durham stands with its mighty stonework and sturdy foundations intact, probably looking much as its builders left it.

Curiously, it is the tombs of two

beloved men that have given the cathedral life, drawing pilgrims from all over the country. One holds St. Cuthbert, a shepherd who became a bishop, is reported to have wrought miracles and, like an early St. Francis, protected birds and other animals. He died in 687. Benedictine monks brought his remains to Durham in 995 and built a shrine on the site of the present sanctuary.

The second tomb holds the Venerable Bede, an intellectual light in his age. By the time he died in 735, he had written biographies, treatises on poetry, on the Bible and on the measurement of time, and produced a history of England that remains a seminal source of knowledge about the Anglo-Saxon world.

To get to the cathedral, it is best to go on foot through the handsome historic heart of Durham, which once prospered from mining coal and lead and today is a university town. The route goes up the city's narrow and winding cobbled streets. Some of the oldest houses here were built as inns and as modest homes for craftsmen. Up the hill, past the old defensive walls, the Palace Green reveals itself as a great square. There, opposite the cathedral, is the 11th-century castle built for Durham's early prince-bishops.

Today, the green and its medieval buildings are still very much in use. The whole castle complex is the seat of University College and the heart of Durham University. Its great octagonal keep serves as a dormitory.

From the green, you enter the cathedral door and step immediately into the mighty nave, begun in 1093. The first sight of it is breathtaking: a lineup of enormous columns that have an almost pagan mawness, with deep incisions of zigzag and lozenge patterns.

Closer to the altar, the columns become spiraled, the architectural language of the sanctuary. The weight recedes as the eye is lifted up by two higher tiers of arches, then by the ribbing on the ceiling.

THE building is so rich in feeling and history that there are a number of ways to discover it. One is through music. Because it began as a monastery church, the building was for centuries filled with music, especially monks chanting in Latin. In the Middle Ages, there were at least four organs. There is now one great 17th-century organ, used for services and regular concerts. And the musical tradition is kept alive with the cathedral's boys' and men's choir.



Brass door knocker, vintage 1140.

If the great spaces of the church look unusually empty, there is good reason. Envoys of the vindictive Henry VIII and later Protestants saw to it that countless statues, ornaments and stained glass windows were smashed, and that paintings disappeared under whitewash.

Much of what was left was damaged in an astonishing episode in 1650, when Oliver Cromwell ordered 3,500 Scottish prisoners into the cathedral. Starving and freezing, the men smashed the woodwork to feed their fires.

BEHIND THE PUZZLE The fine 14th-century Gothic screen behind the main altar is also intact, although more than 100 alabaster statues are gone from its niches. The screen was paid for by a noble family, the Nevilles, and the stone brought from a famous quarry in Caen, France. It was first sent to London, where it was carved. From there, it was shipped to Durham and put together like a big Lego puzzle. Behind this puzzle, you find St. Cuthbert's tomb.

Next to the cathedral are the cloisters and on the far side, the monk's refectory, which became a library in the 17th century. If you ask permission, you can go inside. The cathedral owns hundreds of medieval manuscripts, and 20,000 early printed books. "We believe it is the best collection of monastic manuscripts in the country," Roger Norris, a librarian, said. "We go back to the seventh century, predating Durham itself."

The oldest manuscript is still remarkably intact. It is a seventh-century Bible with vivid scenes and illuminations in pen of fine blue, scarlet and black. The details are so painstakingly drawn that they make you marvel at the discipline and skills of people who lived in the misnamed Dark Ages. This Bible, known as the Durham Gospels, is more than a relic. The bishops of Durham still take their oaths on it.

A Cathedral Made Familiar Through Art and Literature

By Gillian Tindall

SALISBURY, England — We all feel we know Salisbury Cathedral, even if we have never been there. We have seen it rising above the water meadows by the Avon in paintings by Turner and Constable. In our minds we place Thomas Hardy's Jude there, working as a stonemason at "Melchior," and we know — or believe we know — that the Cathedral Close is the setting for Anthony Trollope's Barchester novels.

Recent writers, too, have been inspired by this glory of Early English architecture, rising uncluttered out of its huge expanse of lawn. It is one of the most effortlessly successful and homogenous of all the great European cathedrals. Yet its origins lay elsewhere and it was built on the present site almost by chance in the period of relative peace between the reign of King John and the arrival of the Black Death in the middle of the 14th century.

The 404-foot (123-meter) spire was one of the tallest edifices in the known world when it was constructed toward the end of the 13th century. You might expect this masterpiece of medieval technology — far more advanced and daring for its day than the tallest skyscrapers of our own — to have extra-solid roots. Yet the whole cathedral stands on foundations of river gravel only four feet deep, and the spire was not at first part of the design. It was conceived and added, probably some 30 years after the rest had been completed, by a master mason whose name we may never know, although William Golding depicts one possible scenario in "The Spire."

We do know that since the four main columns on which the tower and spire rest were not originally designed to support such a weight, the builders constructed into the thickness of the walls a system of stone buttresses to resist the thrust. Even so, the Purbeck marble pillars bent very slightly.

STANDING FIRM

Sir Christopher Wren measured the tilt of the spire (29.5 inches) in 1668, but no further shift has been measured since, and the whole thing still stands firm after 700 years.

The beginnings of the cathedral do not lie here. For them, you must go to Old Sarum, an Iron Age earthworks two miles north of Salisbury. This prehis-

toric fort had long been abandoned when the Normans arrived in 1066 and soon after used it as a site for one of their royal castles. Within a decade, a cathedral, too, was going up at its foot.

Yet relations between the castle authorities and the ecclesiastical ones over seem to have been easy. The place was windswept and waterless, the soldiers were troublesome — in short, 100 years later a new church site was required. The bishop, a shrewd scholar and administrator inappropriately named Richard Poore, owned lands in the valley which were generously described as being similar to Paradise. Both Pope and crown were convinced that the cathedral should be relocated there, and the foundation stones were laid at a grandiose ceremony in 1220.

This was five years after a group of prominent citizens, including William Longspée (Earl of Salisbury) and King John's illegitimate half-brother, and Elias of Dereham, a major canon of the cathedral, had coerced John into putting his seal to the declaration of citizens' rights known as Magna Carta. One of the four surviving copies of this charter is in the possession of the cathedral, and can be seen in the Chapter House.

Thus the cathedral was taking shape just when the focus of power was shifting. The dignitaries of Salisbury were not a monastic order: they were worldly men, drawing considerable wealth from landholdings, and it is their fine houses that surround the close today. It was the cathedral that created the city, rather than the other way about.

AFTER a bad period during the Civil War, life went on much as before; the buildings near the cathedral were put to nonecclesiastical uses in a piecemeal and undramatic way. Today, three schools, including the renowned choir school, are lodged around the close, and an attractive local museum occupies the house where James I used to stay.

By the end of the Middle Ages, Sarum was decaying and was once again abandoned. In the mid-14th century the old cathedral there was demolished and its fine Chancel facing stone from local quarries was transported to Salisbury to construct walls and gateways for the developing close.

If you go and stand on the chalky, rubble-topped earthworks at Sarum (all that is left of William the Conqueror's castle) you can look down onto the old cathedral's ghost — its foundations,



laid bare by excavations in the last 100 years, on a wide sheep pasture.

Three of the early bishops from Sarum, originally interred there, were taken down to the new home. Their tomb effigies, looking curiously flattened and unassuming by comparison with the later recumbent figures that people the place, are there in the cathedral. So is William Longspée, buried while his ambitious church was being built around him.

In the late 18th century a grand reorganization of the cathedral interior, with a new screen between nave and choir, the removal of some stained glass and the demolition of two chapels, was undertaken by the architect James Wyatt. Rather less than a century later another architect, Sir Gilbert Scott (a name associated with intrusive "restoration") changed the screen again. This has now been removed, and the entire sweep of the building from nave to high altar is now view.

Go to the cathedral in the well-populated daytime, when a small army of volunteers provides information and collects donations for the unending costs of upkeep, and the light shines in like the water in the surrounding meadows. But see it at night too, when it seems to float on the dark close like an airy, floodlit ship.

You might go to evensong, at 5:30 most days. The music is exceptional. On the night I was there, little boys from the choir school in pie-dish ruffs sang their way matter-of-factly through the traditional service, keeping at bay the Perils and Dangers of This Night — and the nights of the last seven centuries.

Gillian Tindall, the author most recently of *Celestine: Voices From a French Village*, wrote this for *The New York Times*.

Going Down to Tel Aviv: Cafés and Chaos of Urban Israel

By Serge Schmemmann
New York Times Service

TEL AVIV — The predicament of Tel Aviv is that it must forever live in the shadow of Jerusalem. People talk literally of "going up" from the muggy seaside city to "Heavenly Jerusalem" perched on a cool Judean hilltop 55 kilometers inland. There's the difference in age of some 3,950 years, give or take a few centuries, and there's the difference in moral reputation between the unabashedly sybaritic Tel Aviv and the Holy City of three great faiths.

And there's the hard fact that few visitors to Israel make Tel Aviv their primary stop. But then the people of Tel Aviv would have it no other way. In a land where everything seems to be controversial and contested, where every rock is suffused with symbolism, religion, history, sacrifice and blood, Tel Aviv stands proudly as an incoherently Israeli center of normal urban chaos, a city of beaches, cafés, boutiques, traffic jams, scalding summers and great fun.

A visitor wanting to see what the 30-year-old Jewish state is really all about —



Folk dancing on the promenade.

and a break from the intensity of the Holy Land — would do well to plunge into the casual, self-consciously secular and thoroughly modern metropolis on the sea.

This is not to say that Tel Aviv is the Gomorrah that religious Jerusalemites

make it out to be. It is, however, the beautifully restored ancient port of Jaffa, with its fine little art shops and cozy restaurants. It is the long Mediterranean beach; the stately, broad boulevards shaded by sycamores, ficus and acacias; the loud Carmel market of the Yemenite Quarter; the unlikely parade of hippies and Hasidic Jews along Sheinkin Street; and the rediscovered elegance of the Bauhaus era in Lev Tel Aviv, the triangle-shaped "heart," where the city began when Jews fleeing cramped Jaffa laid out the first streets of a new city.

Tel Aviv was born in 1906 when those Jews staked a claim to 32 acres (13 hectares) of sand to the north. Periods of poverty, hardship and prosperity followed, creating layers that make for striking contrasts.

The city has been relatively free of security problems recently, but visitors should be aware that in the last three years there have been three terrorist attacks in the last three years, and concerned travelers should watch for warnings or advisories. A general strike in early December ended after four days, and all services returned to normal.

Israel celebrates its 50th anniversary

in 1998, but a breakdown in organization has left the country with few special events planned for the year. Nonetheless, there is no shortage of things going on.

The Tel Aviv Museum of Art, 27 Shaul Hamelekh Boulevard, is a striking showcase of 20th-century works, starting with the Roy Lichtenstein mural over the lobby. The current exhibition highlights Surrealism, with more than 350 works from the Charles and Evelyn Kramer collection. The entrance fee, about \$7.75 — \$3.70 for students — (at the exchange rate of 3.25 shekels to the dollar). Sunday, Monday and Wednesday 10 A.M. to 6 P.M., Tuesday to 10 P.M., and Friday and Saturday to 2 P.M. A tour in English is offered Wednesday at 11:30 A.M.

THE DIASPORA The Museum of the Jewish Diaspora at Tel Aviv University in the northern suburb of Ramat Aviv gives a broad introduction to the history of the Jews. Starting Jan. 21, it will have an exhibition on the Gaon of Vilna, a celebrated 18th-century Jewish scholar; an exhibit of photographs on the Jews of America by Frederic Brener begins Feb.

12. The museum is accessible by Gate 2 on Klansner Street. Sunday, Monday, Tuesday and Thursday 10 A.M. to 4 P.M., Wednesday to 6 P.M., and Friday 9 A.M. to 1 P.M. Admission \$7.35.

You might linger on the campus, with its contemporary buildings and many palms. The hilltop location offers a nice view to the Ayalon Valley.

For a charming glimpse of "old" Tel Aviv, the house of Haim Nachman Bialik, the greatest modern Hebrew poet, has been kept just as it was at his death in 1934. The house is a striking blend of international and Mideast styles, offering a taste of the cultured, European-derived world of Tel Aviv in the 1920s. Admission to Beit Bialik Museum, 22 Bialik Street, is free. Sunday to Thursday 9 A.M. to 4:30 P.M., Saturday 10 A.M. to 5 P.M.

A leading drama theater, Cameri, 101 Dizengoff Street at Frishman Street, offers performances with English translations through headsets on Tuesdays: On Dec. 30, the theater will show "Mr. Wolf," an Israeli comedy based on Ben Jonson's "Volpone." Tickets, \$26 and \$34 from (972-3) 523-3335.

Tel Aviv proper (the city is formally

called Tel Aviv-Jaffa) is not a place of tourist sights or excursions in the traditional sense.

But it is a city with a distinct history and soul, which you can begin to experience with a walk along the beach. Even in winter, the waterfront is lively, with joggers, strollers and paddleball on the sand.

Every Saturday, from 11:30 A.M. to 2:30 P.M., there is organized folk dancing on the promenade, near the Dan Tel Aviv Hotel. Back where the dunes used to be, the waterfront is lined with cafés, fast-food joints, restaurants and hotels. At night — particularly in balmy weather — the scene stays lively late.

ANY visit to Tel Aviv should include a stroll through the restored warren of alleys in old Jaffa. In ancient times, this was the port of Jerusalem, and it has all the requisite fortifications and temples.

The view from the ancient hilltop fortress is grand, embracing the sea and Tel Aviv. Beyond beautifully restored old Jaffa is a city that has kept much of its Arab heritage, with a throbbing flea market and minarets.

DINING

Spicy Without Spice, And Service to Match

By Patricia Wells
International Herald Tribune

PARIS — If this is, indeed, the real future of French cuisine, then get me on the first plane out. The latest offering in big city brasseries is Spicy, a large contemporary restaurant sporting scantily clad waitresses, overly friendly and misinformed waiters, and a menu aiming for broad, modern appeal.

French politicians hoping to curtail the spread of the "American model" might as well close up shop. For Spicy embodies everything that is annoying about contemporary American restaurants: It's noisy, the staff is falsely friendly and badly trained, and the food tastes as though it was created by a chef of minimal talent.

The name, of course, should tip you off. Spice is the word of the moment. In music, in perfume, and in cuisine. Words such as garam masala and cardamom, cinnamon and ginger have all become code words for food that is

trendy, chic, with it. That's all fine as long as spices are used with intelligence and discretion.

But that is not the case at Spicy. Examine the menu and you see that the fiery red pepper touted on the restaurant's logo is nowhere to be found. Oh, there's a touch of cardamom here and a dab of garam masala there, but mostly this is classic beef tartare and roast chicken country, with mashed potatoes for comfort.

Of the several dishes sampled, only the Caesar salad can be recommended: Dressed with "la fameuse sauce Cesar de Maite" (one of the restaurant's directors), this unorthodox salad of crisp romaine lettuce, bits of bacon, shavings of parmesan and a properly acidic dressing was satisfyingly delicious.

THE DOWNSIDE The grilled swordfish, *espadon*, was sadly overcooked, accompanied by flavorless out-of-season vegetables: a chunky sort of ratatouille of zucchini, eggplant and tomatoes. The roast chicken was just plain strange:



Shawn Goldenberg/ITTT

moody, tasteless, and coated with a

glucy, nondescript "spicy" sauce. When we ordered the spicy, purple-red

syrah wine, the waiter eagerly informed us it was "light, like a Macon

wine." Come again?

It's a sad statement on the state of French cuisine today. And it's certain to be a huge success.

Spicy, 8 Avenue Franklin Roosevelt, Paris 8; tel: 01-56-59-62-59. Fax: 01-56-59-62-30. Open daily. All major credit cards. Menus at 49 (for children only), 95 and 130 francs. A la carte, 170 to 180 francs, including service but not wine.

ARTS GUIDE

Some museums may be closed on Jan. 1. We recommend you call before going.

AUSTRIA

VIENNA
Kunsthistorisches Museum, tel: (1) 712-0495, open daily. Continuing To Jan. 18: "Herb Ritts Work." A photographer of fashion and celebrity, Ritts (born 1952) is drawn to pure lines and strong forms. The 200 photographs include studies of the human body, African images, and portraits of celebrities.

BRITAIN

EDINBURGH
National Gallery of Scotland, tel: (131) 332-2266, open daily. Continuing To Feb. 15: "Discovering the Italian Baroque: The Denis Mahon Collection." Brings together 17th and 18th-century Italian paintings that are part of the collection of Sir Denis Mahon, the art historian.

LONDON
Tate Gallery, tel: (171) 887-8000, open daily. Continuing To Jan. 4: "The Age of Rossetti, Burne-Jones and Watts: Symbolism in Britain, 1880-1910." Works by British and European Symbolist painters.

FRANCE

PARIS
Musée des Beaux-Arts, tel: 03-80-74-52-70, closed Tuesdays. To March 18: "Objets d'Éternité: Rites et Mobilier Funéraires." At-Fayoum portraits, masks, jewelry, sarcophagi and funerary furniture document Egyptian belief in life after death.

NICE
Musée d'Art Moderne et d'Art Contemporain, tel: 04-93-82-61-62, closed Tuesdays. Continuing To March 18: "De Klein a Warhol: Face a Face France/Etats-Unis." Focuses on the artistic exchanges between France and the United States in the 1950s and '60s with works by Arman, Christo, Klein, Oldenburg, Raysses and Tinguely, among others.

PARIS
Grand Palais, tel: 01-44-13-17-17, closed Tuesdays. Continuing To Jan. 5: "Les Iliades." To Jan. 12: "Prud'hon, 1758-1823." To Jan. 26: "Georges de La Tour, 1603-1659." Musée-Galerie de la Seine, tel: 01-45-56-61-48, closed Sundays. To Feb. 28: "Leon Spillier: Oeuvres de jeunesse, 1900-1918." Works dominated by such themes as the North Sea, life in Ostend, female portraits and self-portraits by the Belgian painter (1881-1946).

MUSEE D'ART MODERNE ET D'ART CONTEMPORAIN
Musée d'Orsay, tel: 01-40-46-46-14, closed Mondays. Continuing To Jan. 18: "La Collection Hauserman: Quand l'Amateur Découvre l'Impressionnisme." 40 works by Mary Cassatt, Courbet, Degas, Monet and others from the sugar baron's collection. Also to March 2: "Wilhelm Hammarsholm: A selection of paintings by the Danish artist (1864-1946)." Musée d'Orsay, tel: 01-40-46-46-14, closed Mondays. Continuing To Feb. 15: "Marianne et Germania, 1793-1899: Un Siècle de Passions Franco-Allemandes." Documents the history of Franco-German political and cultural relations, and their transformation as German nationalism increased. Features 350 works, including paintings, drawings and sculptures as well as literary and musical documents.

GERMANY

BERLIN
Deutsche Guggenheim, tel: (30) 3407-4134, open daily. Continuing To Jan. 4: "Visions of Paris: Robert Delaunay's Series." Views of the St. Severin church, the Eiffel Tower and the roofs of Paris seen through the French artist's window.

FRANKFURT
Schirn Kunsthalle, tel: (69) 299-882-0, closed Mondays. Continuing To March 11: "Between Heaven and Earth." Icons and illuminated manuscripts dating from the 14th to the 18th centuries, on loan from state museums in Moscow.



In Vienna: Masai woman and child, by Herb Ritts.

HAMBURG
Deichtorhallen, tel: (40) 32-10-30, closed Mondays. To Feb. 1: "Francis Picabia: Das Spatwerk, 1893-1953." Late paintings and drawings by the French artist (1879-1953). During his last 20 years, Picabia experimented between figurative and abstract styles.

ISRAEL

JERUSALEM
Israel Museum, tel: (2) 6708-811, open daily. To Jan. 31: "Propaganda and Vision: Soviet and Israeli Art, 1930-1955." Works created under Stalin, on loan from the State Russian Museum in St. Petersburg, are contrasted with Israeli works of the same period.

ITALY

FLORENCE
Palazzo Pitti, tel: (55) 213-440, closed Mondays. Continuing To Jan. 8: "The Magnificence of the Medici Court." Art in Florence in the late 16th century.

ROME
Capitoline Museum, Piazza del Campidoglio, tel: (6) 8710-2071, closed Mondays. Continuing To Jan. 20: "Henri Matisse: La Révélation m'est Venue de l'Orient." Documents the influence of Oriental art in Matisse's work. More than 250 of the artist's paintings, drawings and prints can be seen alongside rare Islamic, Coptic and Byzantine art.

LUXEMBOURG

CASINO LUXEMBOURG, tel: 22-50-45, closed Tuesdays. To Feb. 1: "Affinités Électives: La Peinture Européenne en Dialogue." Brings together works by 50 European artists, such as Fontana, Dubuffet, Arman, Manzoni, Baselitz and Marlene Dumas.

NETHERLANDS

AMSTERDAM
Rijksmuseum, tel: (20) 673-2121, open daily. Continuing To March 3: "On Country Roads and Fields." A tribute to landscape art by 18th and 19th-century painters, such as Koekkoek, Weissenbruch, Mauve, van Gogh and Mondrian. Stedelijk Museum, tel: (20) 673-811, open daily. Continuing To Jan. 25: "Kazimir Malevich." A collection of drawings in pencil,

chalk, gouache, ink and watercolor — one of the founders of abstract art.

ROTTERDAM
Kunsthal, tel: (10) 44-00-321, closed Mondays. To Jan. 18: "The School of The Hague: A Retrospective." More than 300 Dutch paintings by the marine painter Meesdijk (1631-1815), Joseph Israels (1824-1911), known as the "Dutch Millet," and Anton Mauve (1838-1888), among others.

SPAIN

MADRID
Museo Nacional Centro de Arte Reina Sofia, tel: (1) 14-87-50-62, closed Tuesdays. To Jan. 12: "Fernand Léger." 200 paintings and drawings highlight the French artist's affinity with architecture, his work for the ballet, cinema and literature, and his strong political commitment.

SWITZERLAND

LAUSANNE
Musée Cantonal des Beaux-Arts, tel: (21) 312-55-32, closed Mondays. To Jan. 11: "Le Miroir Vivant." The exhibition explores the contradiction between reality and the art it inspires through the works of Magritte, Marcel Broodthaers, Bruce Nauman and Markus Raetz.

UNITED STATES

HOUSTON
Museum of Fine Arts, tel: (713) 638-7300, closed Mondays. To April 12: "The Body of Christ in the Art of Europe and New Spain, 1500-1800." Features 75 paintings, sculptures, illuminated manuscripts, prints and textiles. Included in the exhibition are works by Botticelli, Durer, Rubens, Tintoretto, Veronese and Zurbarán.

NEW YORK
Museum of Modern Art, tel: (212) 707-5000. To Feb. 21: "Rosa Bonheur, 1822-1899." Allowed by the authorities to wear men's clothes, Rosa Bonheur was able to visit markets, slaughterhouses and farms and study the animals she would later depict in her paintings. The exhibition brings together 64 paintings, 48 drawings and watercolors and will travel to Barbizon, near Paris and New York. Metropolitan Museum of Art, tel: (1) 212-570-3791, closed Mondays. To Jan. 11: "The Drawings of Filippo Lippi and His Circle." The exhibition brings together 117 drawings by the Italian draftsman (1457-1504) and his circle, including works by Botticelli, Filippino Lippi and Raphael. Also, to Feb. 8: "Jackson Pollock: Sketchbooks and Drawings." Three early sketchbooks, ranging from the mid-1930s to 1940 as well as a selection of drawings, by the American Expressionist painter (1912-1956).

WASHINGTON
Arthur M. Sackler Gallery, tel: (202) 357-2700, open daily. To March 8: "Twelve Centuries of Japanese Art from the Imperial Collections." More than 50 paintings and 20 works of calligraphy document the artistic patronage of Japanese emperors from the 8th to the 20th century. National Portrait Gallery, tel: (202) 357-2700, open daily. To Jan. 25: "Edith Wharton's World: Portraits of People and Places." More than 100 paintings, miniatures, manuscripts and memorabilia from the author's life (1862-1937). Includes portraits of her contemporaries and paintings by Pissarro and Childe Hassam that capture the places Wharton loved.

CLOSING SOON

Dec. 28: "Sensation: Young British Artists from the Saatchi Collection." Paintings, sculptures, videos and photographs. Royal Academy of Arts, London.
Dec. 31: "Treasures of Mount Athos." The Museum of Byzantine Culture, Thessaloniki.

BRIDGE

By Alan Truscott

TWO of New York's best-known bridge personalities have turned a bridge partnership into a life partnership. Sue Picus, who has won two world titles and added to her collection of national victories in St. Louis last month, was married in Manhattan to Barry Rigal, who is one of the busiest bridge writers on the planet.

The diagrammed deal helped them finish 10th in the 1994 World Mixed Pairs in Albuquerque, New Mexico. In four spades, Rigal as South received a helpful trump card. He captured the queen with the king, led to the jack

and played a club to the king. West won with the ace and led his remaining trump, won

NORTH (D)			
♠ A J 5 3			
♥ A 4 3			
♦ J 9 2			
♣ 9 8 2			
WEST			
♠ 10 8 2			
♥ 7 5			
♦ Q 10 8 3			
♣ A J 10 5			
EAST			
♠ Q 5			
♥ J 8 6 2			
♦ K 4			
♣ Q 5 4 3			
SOUTH			
♠ K 7 4			
♥ K Q 10 8			
♦ A 7 5			
♣ A 7 5			

North and South were vulnerable

The bidding:	North	East	South	West
1♠	Pass	1NT	Pass	Pass
2♠	Pass	2♦	Pass	Pass
3NT	Pass	Pass	Pass	Pass

West led spade run.

with dummy's ace. Another club lead was won by East, who played a third club. South ruffed, reaching the tricky position, shown at left.

South led a low diamond, and West erred by taking the queen. A club lead was ruffed in dummy, and East was squeezed. Rigal and Picus earned almost all the match points for making game.

If West had played low in the diagrammed position, dummy's nine would have been played, losing to the king. East would return a diamond, and South would take the ace.

Now West's diamond play would be crucial. If he routinely played low, South

would be able to place him with an original distribution of 3-2-4-4 and guess to finesse in hearts at the finish. But if he played the diamond 10, the card he was known to hold, South would be likely to misguess in the ending.

NORTH			
♠ A 4 3			
♥ J 9 2			
♦ —			
WEST			
♠ 7 5			
♥ Q 10 8 3			
♦ J			
EAST			
♠ J 8 6 2			
♥ K 4			
SOUTH			
♠ K Q 10 8			
♥ A 7 5			
♦ —			

THE CAR COLUMN

Alfa Romeo: A Practical Passion

By Gavin Green

ALFA ROMEO has long played the motoring equivalent of the Italian operatic heroine: beautiful, charming, moody, fragile and, in many cases, short-lived. Loads of people love Alfas. But — unfortunately for Alfa — few actually buy them.

Poor quality control — arguably the worst of any Western carmaker, at least until recently — has cost the company dear. It no longer sells cars in the United States, for Americans will not put up with vehicles that fail to deliver their primary function: providing transport. Europeans, usually less practical but more passionate, will often endure something that occasionally gives grief, as long as it also gives pleasure.

That's always been Alfa's saving grace. The cars have rusted, they have broken down, and trim has been discarded on the roadside, like a snake shedding its skin. But they usually look lovely, sound great, and deliver loads of smiles per gallon.

The problem for Alfa is that the Germans — who have always made cars more solidly — are now also making cars that have as much soul. BMW, more than any other maker, produces what Alfa always promised to, but never quite delivered: great-looking and great-driving cars that don't break down, stay in one piece and don't resemble colanders after their first whiff of salt. Audi, too, is getting in on the act. Alfa, once the master of charismatic sports sedans, was now merely a sales also-ran.

A CHANGE HAS COME

Until now, Fiat, which bought Alfa from the Italian state in 1987, has been slowly but surely improving the most tongue-curling romantic name in motoring. Now, in the new 156, Alfa has a car that not only preserves those time-honored Alfa values, it enhances many of them. Yet it also leaves them with sensible, practical values.

Let's start with the passionate side to the car. The 156 looks fabulous. It is a curvaceous machine that appears as though it's made from gently folded



quality fabric rather than steel, so fetching and subtle are some angles. There are a couple of touches of true design genius. The subtle incorporation of the rear-door handles into window area makes the car look like a two-door, and it's all the sportier for that.

The 156 also handles sharply, rides with amazing suppleness considering its sporty mien, and sounds like there's an orchestra under the hood rather than just a collection of reciprocating and spinning metal components. The top-of-the-range V6 engine is the most melodious, although the 2.0 Twin Spark, as tested, is also marvelously musical. Even the new turbodiesel engines — revolutionary "common rail" direct-injection units, set to give the struggling diesel concept a new lease of life — sound good. All the engines go well, the turbodiesel most surprisingly so.

Fine — but what about the sensible side, the reasons that people usually buy BMWs or Toyotas rather than Alfas? For starters, construction quality on our test car seemed good. Fiat has made huge strides with its own cars over the past three or four years, so it's not altogether a shock to find that the good work has finally filtered its way down to Alfa.

The cabin is roomy, and compares well with the BMW 3-series and the Audi A4 (Alfa's real target cars), even if it's not as commodious as sportier versions

of the VW Passat or the Volvo S40, against which the Italian also competes. The cabin trim is excellent, with soft-feel surfaces and crisply molded switches, although the wood on the test car looked as though it came from a tube not a tree.

Downsides include a ridiculously large steering radius and one or two safety omissions. There are, for instance, no side airbags. Otherwise, there are few compromises. The 156 is a car that enchants, and one that offers a real alternative to those who may be starting to tire of yet another BMW 3-series or Audi A4 when the time comes for a new car.

THE 156 has just won the European Car of the Year award from a 56-person jury that traditionally puts practical, sensible virtues ahead of Italian operatic-style passion. It's the first time that an Alfa has won the award, and it did so by one of the biggest margins ever.

Alfa Romeo 156. About \$30,000. Four-cylinder, 16-valve engine. 2.0 liters, 155 BHP. Five-speed manual transmission, front-wheel drive. Top speed: 210 kph (130 mph). Acceleration: 0-100 kph in 8.4 seconds. Average fuel consumption: 9.7 liters/100km.

Next: The Mercedes-Benz CLK

Gavin Green is the editor in chief of Car magazine.

MOVIE GUIDE

TITANIC

Directed by James Cameron, U.S.
The long-awaited advent of the most expensive movie ever made, the reportedly \$200 million "Titanic" brings history to mind, and not just the legendary seafaring disaster of April 15, 1912. Think back also, exactly 58 years ago, to the Dec. 19 New York premiere of another grand, transporting love story set against a backdrop of prideful excess, cataclysmic upheaval and character-defining trial by fire. Recall how that cultural landmark wowed audiences with its bravado, mad extravagance and state-of-the-art Hollywood showmanship, all fueled by one unstoppable filmmaker and his obsessive imagination. Just as David O. Selznick had Atlanta to burn, now James Cameron has a ship to sink, but he also has much more than calamity to explore in this gloriously retrograde new epic. Cameron's magnificent "Titanic" is the first spectacle in decades that honestly invites comparison to "Gone With the Wind." What a rarity that makes it in today's world of meaningless gimmicks and short attention spans: a huge, thrilling three-and-a-quarter-hour experience that unerringly lures viewers into the beauty and heartbreak of its lost world. Astonishing technological advances are at work here, but only in the service of one spectacular illusion: that the ship is afloat again, and that the audience is intimately involved in its voyage. What's more, Cameron succeeds magically in linking his film's young lovers, played enchantingly by Leonardo DiCaprio and Kate Winslet, with established details of the "Titanic" story. And let's not forget the offscreen drama: Delayed release and outrageous



From "For Richer or Poorer."

costs made "Titanic" the joke of the summer. Now it's the movie of the year. Though the tender moments in Cameron's earlier films have mostly involved Arnold Schwarzenegger, graceful storytelling from this one-man army of a filmmaker (a director, a producer, a writer and an editor) is the biggest of many surprises here. Cameron rises to the occasion with a simple, captivating narrative style, one that cares little for subtlety but overflows with wonderful, well-chosen Hollywood boken. In its own sobering way, the film is forward-looking, too, as its early brassiness gives way to near-religious humility when the moments of reckoning arrive. Ultimately a haunting tale of human nature, with endless displays of callousness, gallantry or cowardice, it offers an unforgettable vision of millennium-ready unease in the sight of passengers adrift in

icy seas on that last, moonless night. That Cameron allowed flashlights into what should have been a pitch-black sequence is one of the rare times when "Titanic" willingly departs from established fact. Otherwise, with an attention to detail that goes well beyond fanatical, the film flawlessly creates its monument to Gilded Age excess. (Janet Maslin, NYT)

FOR RICHER OR POORER

Directed by Bryan Spicer, U.S.
As art forms go, comedy is so demanding that practitioners probably should be required to pass a licensing examination before they are loosed on the public. As in plastic surgery or litigation, mediocrity can be painful. Take, for example, "For Richer or Poorer," the new romantic comedy starring Tim Allen and Kirstie Alley as husband and wife — obnoxious partying parvenus from Manhattan who take refuge among Amish farmers after his peculating accountant exposes them to Internal Revenue Service hell. Among simple people and simple virtues, this unhappy couple of conspicuous consumers rediscover the true values, which include marital love. Sounds like fun; plays like a rough draft. Joy O. Sanders gives an appealing performance as the dignified but not humorless Amish farmer who is led to believe that the bedraggled couple at his doorstep are distant cousins. Larry Miller pumps some energy into the proceedings as an overzealous IRS agent, and Maria Maples, fittingly, appears as one of the ladies who lunch with Caroline Sexton. But "For Richer or Poorer," promising laughs, never serves up its main course. (Lawrence Van Gelder, NYT)

BOOKS

BLUE:

The Murder of Jazz
By Eric Nisenson. 262 pages. \$22.95. St. Martin's.

BLUES UP AND DOWN:
Jazz in Our Time

By Tom Piazza. 194 pages. \$21.95. St. Martin's.

Reviewed by David Nicholson
EVERY once in a while (well, truth be told, a lot more often), I read a book and I wonder why the author felt compelled to write it and the publisher to issue it. Such is the case with these, one complaining that jazz is, if not dead, then in poor health; the other insisting that jazz is as vital as it ever was.

Part of my skepticism stems from the fact that jazz, the most American of musics and an important part of the shared national mythology, now seems increasingly irrelevant. Washington, which boasts only two jazz nightclubs and whose only real jazz station went off the air just a few weeks ago, is a case in point. But the movement of jazz to the peripheries has happened all over the country; one unmistakable sign is that the genre accounts for only 3 percent of all CDs sold.

There's probably room for a book (and maybe even two) offering a thoughtful analysis of the situation, but you won't find that here. What you'll find, instead, is no more than a temper in a trumpet mute over the future of the music.

Eric Nisenson (author of books on John Coltrane and Miles Davis) isn't optimistic. Jazz, he contends, "once one

of the most consistently progressive and visionary cultural wellsprings in America is increasingly becoming a suffocatingly arid and reactionary desert."

The problem, for him, centers on younger musicians like Wynton Marsalis, Joshua Redman and Roy Hargrove. Though they are dubbed "neo-classicists" by some, Nisenson thinks they are more properly revivalists stuck in the bebop and hard-bop styles of the '40s and '50s. He admires their prodigious technique and encyclopedic knowledge of jazz history and styles, but finds their playing fundamentally soulless. Worse, they have failed to bring anything new to the music, playing instead forms that were brought to fruition decades ago.

"Yes, it is important for both musicians and fans to know the wonderful legacy of jazz," Nisenson writes. "But for jazz itself such things as repertoire and revivalism, even if successful, have little bearing on jazz being able to survive as a creative art form. If jazz musicians — especially young jazz musicians — cannot find ways to build on that legacy and create music that reflects the reality of their own lives here and now, jazz cannot survive."

Tom Piazza disagrees vehemently, and champions Marsalis and his cohort. For him, criticism of the neoclassicists is racist, with patronizing (white) "jazz-is-feeling" reviewers who "feel consciousness is a curse" indulging in "a myth of bogus privatism." Instead of respecting the musicians for what they do, he charges, these critics are guilty of wanting to "keep [jazz] a wild and uncivilized place, contained and turned into a kind of game preserve."

I suppose there is some truth to each of these positions but, as I've said, I'm not sure the argument as conducted here is really worth having. Then, too, though on one level these books may be on opposite sides of the debate about the state of jazz in the '90s, on others there are some uncomfortable similarities.

Inexorably, both authors indulge in a mean-spiritedness that does nothing to elevate their arguments and everything to try the reader's patience. That sin is compounded by the fact that these books are essentially frauds, padded-out essays masquerading as books.

IN the end, though, what's most disappointing is that each of these books is really a long magazine article filled out — in Nisenson's case with a history of jazz, and in Piazza's case with previously published magazine articles and newspaper reviews.

Though Nisenson claims he has to "explore what had made jazz and the jazz revolution" to "explain what is wrong with the current mainstream of jazz," the truth is that those who already know something about that history will find little new here, while those who don't probably won't be reading this book.

And, as for Piazza's reprinted articles, with one or two exceptions they are the kind of thing most critics and reviewers forget once they've been paid for them. Piazza should have done the same.

David Nicholson, a Washington writer, wrote this for The Washington Post.

December 24, 1997

Quotations supplied by fund groups to Microcap Paris, t: 33-1 40 28 09 04, e-mail: funds@microcap.fr
For information on how to list your fund, fax Katy Hourri at (33-1) 41 43 92 12 or E-mail: funds@lht.com
To receive free daily quotations for your funds by E-mail: subscribe at e-funds@lht.com

AS - Australian Dollars; AU - Austrian Schilling; B - Belgian Francs; CA - Canadian Dollar; DM - Deutsche Mark; DK - Danish Kroner; Dr - Dutch Dollar; ECU - European Currency Unit; FF - French Francs; FIM - Finnish Mark; Ft - Dutch Florin; ID - Indonesian Rupiah; Lit - Italian Lira; L - Luxembourg Banknote; p - penny; MYR - Malaysian Ringgit; N - New Zealand Dollar; S - Singapore Dollar; SF - Swiss Franc; Sk - Swedish Kroner; THB - Thai Baht; Y - Yen

* Listed = . Offer Prices N.A. = Not Available
N.C. = Not Communicated; N. Mkt. S. = Non-liquid; S - stock; Sp. = Ex-Oilfield; S - cash; O Offer Price incl. 3% prov. charges; * Paris exchange; ** Amsterdam exchange; S - estimated offer; S - not registered with regulatory authority; P - middle of bid and offered prices; E - estimated price; V - price calculated

The data in the list above is the nav. supplied by the fund groups to Microcap SA. It is collated and reformatted into the list before being transmitted to the IFT. Microcap and the IFT do not warrant the quality or accuracy of the list, the data of the performance of funds of the Fund Groups and will not be liable for the list, the data of the Fund Group to any extent. The list is not and shall not be deemed to be an offer by the IFT or Microcap to sell securities or investments of any kind. Investments can fall as well as rise. Past performance does not guarantee future success. It is advisable to seek advice from a qualified independent adviser before investing.

SUBJECT:

Settlement Is Reached On Nasdaq Price Fixing

30 Brokerages Agree to Pay Out \$900 Million

By David Barboza
New York Times Service

NEW YORK — Thirty brokerage firms, including some of the biggest and most trusted names on Wall Street, have agreed to pay out \$900 million to end a civil suit contending they schemed with one another for years to fix prices on the Nasdaq stock market.

Lawyers for the plaintiffs in the class-action lawsuit, which represented tens of thousands of investors, called it the biggest settlement of a price-fixing lawsuit in history.

The settlement, reached Wednesday, also is one of the biggest ever in the history of U.S. financial markets. It is distinctive because most investor complaints about Wall Street cheating historically have focused on theft and fraud, not collusion among competing brokers to fix prices of stocks.

"The size of the settlement indicates that the allegations made were pretty serious," said Alan Bromberg, an expert in securities law at Southern Methodist University. "This is the first time antitrust law has been used in the securities area in a major way."

The plaintiffs had contended that between 1989 and 1994 much of the stock trading done via the Nasdaq market was manipulated by brokers, who inflated the spreads, or the difference between the price stocks are bought and sold, in order to reap higher profits.

"They did it on the buy side and they did it on the sell side," said Robert Skinnick, an attorney for the plaintiffs. "Whether you were buyer or a seller you were damaged."

For instance, if an investor asked to buy shares at \$20.125, a broker might return with shares bought at \$20.25 saying the shares were unavailable at the cheaper price. The broker would then pocket the difference. In deals where hundreds of thousands of shares were traded, that spread of 12.5 cents could be a large sum of money.

The plaintiffs sought to show brokers priced shares that typically would give them a 12.5 cent profit on each share traded. If a broker listed a price too cheaply, Mr. Skinnick said, that broker would be pressured by competitors.

A year ago, about 24 Wall Street firms settled similar Nasdaq price-fixing charges with the Justice Department by agreeing to forbid certain pricing practices and enhance regulatory oversight.

At about the same time, the Securities and Exchange Commission sanctioned the National Association of Securities Dealers — which operates the Nasdaq market — for oversight and regulatory

lapses. SEC officials also said they were continuing to investigate practices in Nasdaq. Since then, a number of reforms have been made.

While the settlement reached Wednesday is huge, it is not expected to seriously affect the earnings of any of the brokerages.

None of the defendants in the settlement, which included Merrill Lynch & Co., Goldman Sachs & Co. and Morgan Stanley, Dean Witter Discover & Co., admitted wrongdoing.

Their payments raised the total amount paid by brokerage firms to more than \$1 billion since 1994, when lawyers representing investors first brought the suit. That includes a \$98 million settlement paid a year ago by six other firms facing similar accusations.

The total amount of the settlement is not far behind the \$1.5 billion paid out by Prudential Securities Inc. for defrauding hundreds of thousands of investors in the sale of limited partnerships.

But because the price-fixing settlement sum was spread among more than 30 brokerages, no single firm's total approached the Prudential figure.

Merrill Lynch, which will pay the highest amount because the firm's trading accounted for the largest share of the Nasdaq market, will contribute about \$100 million.

If a federal judge agrees to the terms of the settlement, the payments would be placed in an interest-bearing escrow account and then be paid out to investors beginning in 1999, lawyers for the plaintiffs said.

That means almost any investor who bought or sold shares on the Nasdaq market — and that figure could be well into the millions — may be reimbursed in the future.

But exactly how much an investor might receive would depend on how much trading the investor did. Lawyers still must devise a formula for determining investor compensation, and a judge must still determine how plaintiff lawyers will be paid.

Altogether, more than 1,600 different securities were affected by price-fixing practices, plaintiff lawyers said.

The settlement document makes clear that the Wall Street firms continue to deny the accusations of wrongdoing in the lawsuit. Most defendants declined to comment beyond that. Nasdaq also declined to comment.

But Merrill Lynch issued a statement that read: "Although we believe our practices were entirely proper, it made no sense to continue litigating the merits of practices that are no longer followed when the matter could be resolved on an industry-wide basis."

One Wall Street firm refused to join the settlement. BancAmerica Robertson Stephens Inc., based in San Francisco, said it had no reason to believe it engaged in price fixing.

Attorneys for the investors said they would press ahead with the case against BancAmerica Robertson Stephens.



The American Girl of Today doll uses a wheelchair. Toymakers are hoping to tap a growing market.

Toymakers Come Back to Reality

Companies Find a Growing Market in Toys for Disabled Children

By Dana Canedy
New York Times Service

NEW YORK — Carol Connell had heard about Sing and Snore Ernie, Beanie Babies and all the other holiday toys. Yet she was at a loss for what to buy her nephew, Joe Longhini, who is 4 and has cerebral palsy.

So Ms. Connell called Joe's parents, who suggested a Toys 'R' Us catalog highlighting toys deemed beneficial "for differently abled kids."

"They just told me about three things in the catalog, and I went right out and bought them," Ms. Connell said, who lives in Wilmette, Illinois.

One is a Spiral Speedway plastic corkscrew onto track that sends cars racing with the press of a large lever. The family hoped it would help Joe develop better hand-eye coordination.

The regular catalog tries "to give guides by age," said Robin Zurzowski, Joe's mother, "but often that doesn't work. With the catalog for disabled

kids, someone has gone to a lot of trouble picking those kinds of toys that help a lot with early development skills and are still interesting enough for nondisabled kids or adults to play with."

In what parents of handicapped children say is a long-overdue industry awakening, toy companies are increasingly making products specifically for children with physical and mental disabilities or promoting traditional toys that are best suited to these children.

The American Academy of Pediatrics estimates that at least 6 million U.S. children have some form of disability, ranging from learning disabilities to severe mental and physical handicaps. The number has increased by about 20 percent in the past decade as survival rates have risen for premature babies and for infants with ailments that were once usually fatal.

The U.S. market for toys for handicapped children is as much as \$2 billion a year, according to the Toy

Manufacturers of America, and could grow faster than the \$20.7 billion toy market as a whole.

To tap that market further, Mattel Inc. introduced a Barbie friend in a wheelchair this spring, Share a Smile Becky. The doll sold out in two weeks. Since then, Mattel has sold more than 100,000 of the \$25 dolls and has been unable to keep up with demand.

Little Tikes Co. had a run on its patio doll houses after it introduced advertisements this summer featuring a handicapped child to show that the child-sized houses had been modified to make them wheelchair-accessible.

In the five years since the toy makers' group began producing a guide to toys for blind children, distribution has grown to 80,000 from 20,000.

Toymakers and retailers no doubt hope that if they do a better job marketing to families with disabled children, they will generate good will with

See TOYS, Page 13

NEC Plans To Inject Funds Into U.S. Unit

Computer Company
To Get Loan and Sell
Stock in Bid to Be No. 1

Reuters

TOKYO — NEC Corp. said Thursday it aimed to make an initial public offering of shares in Packard Bell-NEC Inc., its U.S. personal-computer affiliate, by the end of 1998.

The Japanese electronics company also said it would provide \$300 million in support to Packard Bell-NEC and that 20 percent of the amount would be guaranteed by Groupe Bull of France.

The company also will increase its share of stock with voting rights in Packard Bell-NEC to 49 percent from 19.84 percent.

Seiji Yokoyama, an NEC executive vice president, said that support of \$300 million would not have an impact on NEC's 1997-98 group earnings forecast.

Mr. Yokoyama said the loan was necessary to support Packard Bell-NEC, whose business has been hurt by falling prices of home computers.

He said that the U.S. company needed to cultivate the corporate market. "The loan is part of the global strategy of NEC to be the No. 1 computer seller in the world," Mr. Yokoyama said.

He said part of the loan was to be repaid from cash raised through the initial public offering in Packard Bell-NEC.

He also said the U.S. unit would generate enough profit to repay the rest.

Packard Bell-NEC is 19.99 percent owned by NEC and 20 percent by Groupe Bull, with the rest held by private owners.

NEC already has increased its investment in Packard Bell-NEC several times, including an acquisition of non-voting convertible preferred stock in April 1996 and a transfer of assets in July 1996.

According to Dataquest Corp., a market-research company, Packard Bell-NEC was the fifth-biggest vendor of personal computers worldwide in the third quarter of this year.

The company's shipments declined 7.6 percent, to 940,000, during the quarter, giving it a 4.6 percent share of the worldwide market after a sales war between PC powerhouses Compaq Computer Corp. and Dell Computer Corp., Dataquest said.

A separate survey by International Data Corp. said that NEC and Packard Bell-NEC together controlled 10.2 percent of the world computer market, the second largest share after Compaq Computer, which controls 10.3 percent.

To Our Readers

Most financial markets were closed on Thursday for the Christmas holiday. The world market tables on Page 13 reflect trading in Bangkok and Tokyo.

While U.S. Fiddles on Fast-Track, Chile Looks Elsewhere for Trade

By Anthony Faiola
Washington Post Service

SANTIAGO — For most of the 1990s, Chile has been America's jilted sweetheart. Proposed as the next country to sign a free-trade accord with the United States, the country has been left at the altar as the political debate over presidential powers to consummate such accords rages in Washington.

Tired of waiting for President Bill Clinton to win so-called fast-track authority, Chile, the region's most liberalized economy, has gone courting other beaus. U.S. companies say they are the losers; one recent study indicates U.S. firms are missing out on \$480 million in business a year without an accord, partly to Canadian and Mexican companies whose governments have already signed free-trade agreements with Chile.

Although Chile's market of 14 mil-

lion people is small and no one suggests losses here will have a significant impact on the U.S. economy, free-trade proponents say the situation has evolved as an ominous lesson on the price of American protectionism.

As Chile has signed free-trade agreements with other countries, the increase in imports of U.S. products has slowed

ECONOMIC SCENE

from a 43 percent jump in 1995 to almost zero growth in 1997. In part, that is because Chile's accords with Mexico and Canada have made products from those countries more competitive. But it is also because such multinationals as Chrysler Corp. and International Business Machines Corp. have stopped shipping many products from U.S. factories to Chile, switching instead to products made in their Canadian and Mexican

plants to take advantage of lower tariffs, Chilean trade authorities say.

For Chile, which began free-trade talks with the Bush administration, the sticking point of late has been Mr. Clinton's inability to win renewal of fast-track authority, which would give him power to negotiate trade agreements that Congress can approve or reject but not change.

Congressional opponents, primarily in the president's Democratic Party, insist that environmental and labor standards must be mandated in the legislation to ensure fair competition. Supporters argue that setting such restrictions in stone would effectively prevent good faith negotiations with other countries.

While they argue, "the simple reality is that U.S. companies are losing down here because Washington can't solve this debate over free trade," said Alexander Fernandez, president of the American Chilean Chamber of Com-

merce. "There is clearly a lack of understanding of the economics involved. Every day they put this off, our position down here is slipping away."

While generally endorsing labor and environmental practices in Chile, fast-track opponents say the line must be held here nevertheless because the Chilean accord will be an example for future trade agreements.

"The agreement with Chile will become the model for the others that the United States enters into," said Thes Lee, assistant director of public policy for the AFL-CIO, the largest U.S. labor group. "We therefore have a basic principle of fair labor that must be included."

Since the United States entered into the North American Free Trade Agreement with Canada and Mexico in 1993, Chile has sought membership. But as the United States has been unable to pursue serious negotiations without fast-track, Chile decided to sign its own "mini-NAFTAs" with Canada and Mexico. As a result, Chile has dropped its 11 percent across-the-board duty on most imports from those countries.

In close bidding races for business, the 11 percent drop can make an important difference, company executives say. For instance, when VTR Telecommunications, a major Chilean cable and telephone provider, recently solicited bids to

modernize its equipment, the short list included Canada's Northern Telecom Inc. and two U.S. companies, Lucent Technologies Inc. and Motorola Inc. The Canadian company won the \$180 million contract, partly because of the 11 percent difference, those close to the deal say.

"There's no doubt it helped us," said Juan Luis Gutierrez, general manager for Northern Telecom in Santiago. "Of course, I think there were plenty of other reasons we won, but all things being equal, 11 percent can make the difference and help get a contract."

There has also been a boom in the number of U.S. companies shipping products from plants in Canada or Mexico to Chile. Until this summer, Chrysler had been selling minivans here that were made at its St. Louis, Missouri, plant, then it switched to importing those made at its plant in Ontario to capitalize on lower tariffs. It is now shipping Neons from its Mexican plant. Previously, Chrysler imported Neons from a plant in Illinois.

The numbers are still small. Chrysler's sales in Chile, for instance, amount to fewer than 4,000 vehicles a year. However, "it still means less utilization of our U.S. labor," said Dario Verdugo, Chrysler's manager of business development.

The United States remains Chile's largest trading partner, and Canadian and Mexican trade growth here is only beginning. To cement increasingly lucrative trade ties with Chile, Prime Minister Jean Chretien of Canada and more than 400 businessmen and politicians are expected to arrive in Santiago in January. "Canadian firms have a window of opportunity here that we aren't going to pass up," said Brian Oak, director of trade at the Canadian Embassy in Santiago.

The trip comes as Chilean officials, long enthusiastic about the idea of a trade accord with the United States, are playing it more coolly.

"We don't need an accord with the United States anymore," said Jose Joaquín Brunner, secretary general to Chile's president. "Yes, we still want one, but we have made strides in other directions that have helped our economy and will continue to without a U.S. trade agreement."

CURRENCY & INTEREST RATES

Cross Rates									
	1	2	3	4	5	6	7	8	9
Australian dollar	1.328	1.327	1.326	1.325	1.324	1.323	1.322	1.321	1.320
British pound	1.606	1.605	1.604	1.603	1.602	1.601	1.600	1.599	1.598
Canadian dollar	1.363	1.362	1.361	1.360	1.359	1.358	1.357	1.356	1.355
French franc	1.363	1.362	1.361	1.360	1.359	1.358	1.357	1.356	1.355
German mark	1.363	1.362	1.361	1.360	1.359	1.358	1.357	1.356	1.355
Japanese yen	1.363	1.362	1.361	1.360	1.359	1.358	1.357	1.356	1.355
Swiss franc	1.363	1.362	1.361	1.360	1.359	1.358	1.357	1.356	1.355
U.S. dollar	1.363	1.362	1.361	1.360	1.359	1.358	1.357	1.356	1.355
Other currencies	1.363	1.362	1.361	1.360	1.359	1.358	1.357	1.356	1.355
Libor-Libor Rates									
	1	2	3	4	5	6	7	8	9
1-month	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
3-month	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
6-month	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
1-year	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Key Money Rates									
	1	2	3	4	5	6	7	8	9
U.S. Treasury bill	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
U.S. Treasury note	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
U.S. Treasury bond	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Other currencies	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Forward Rates									
	1	2	3	4	5	6	7	8	9
1-month	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
3-month	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
6-month	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
1-year	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00



CUTTING BACK — Prime Minister Ryutaro Hashimoto walking to a cabinet meeting Thursday to discuss a tighter budget. Page 13.

THE AMERICAS

Travel Web Sites Are Fun, But Hold On to Your Agent

Survey Warns of Inefficient Booking Systems

By Jane L. Levere
New York Times Service

NEW YORK — PC Magazine's advice: Don't trade your travel agent for a World Wide Web site just yet.

The World Wide Web's top sites for business and leisure travel have been rated by PC Magazine and found wanting.

Warning readers not to give up their "old, reliable" travel agent, the magazine survey says: "The sites are useful and interesting, but a traditional travel agent handles most arrangements more efficiently."

The most favorably rated of the 15 sites surveyed was that of Biztravel.com (www.biztravel.com). PC Magazine commended it for the detailed profile it allows users to create, its management of frequent-travel programs and its "clear and helpful" format.

Here are the magazine's observations on other sites related to business travel:

- American Express Travel (www.americanexpress.com/travel) is "good for the traveler without a lot of special needs," but lacks extras like Biztravel.com's ability to book flights using frequent-flyer miles.

The magazine points out that travelers buying tickets through American Express can pick them up at an American Express agency, or have them delivered free of charge.

• CNN Interactive's Travel Guide (www.cnn.com/TRAVEL) is "useful for any business traveler" with its "easy-to-use reservations system, an effective low-fare tracking system and

the valuable CNN on-line guidebook."

Another feature PC Magazine likes is the site's ability to monitor low fares.

- Flifo (www.flifo.com) is "a good place" for frequent travelers "to learn about where they're going and to set up a well-organized, detailed itinerary."

Ticketing services—for electronic ticket processing or tickets by mail, with free delivery—are deemed noteworthy.

- Internet Travel Network (www.int.net) is praised for performing "most of the basics for a business traveler" and for allowing a user to sign up with a local travel agency. Shortcomings the magazine sees include storage of only four frequent-flyer program numbers and no storage of car or hotel program data.

• Microsoft Expedia.com (www.expedia.com) is "very efficient for that quick business jaunt to Cincinnati" but is marred by design flaws. The article says that Hotel Pinpointer, a feature enabling users to instantly view a hotel's location on a map, is "unparalleled," but the fare-tracking service is "the most Spartan of any site."

• The Trip.com (www.thetrip.com) "handles the basics of booking a trip well." The magazine likes the site's e-mail fare service and its flight-tracking capability, but calls some of its destination information "a bit stale."

• Travelocity (www.travelocity.com) is praised for a "user-friendly design, superb customer support, and excellent knack for finding low fares." Minuses are an "inflexible" fare-watching feature and cryptic jargon that describes hotels and flights.

U.S. Envoy Warns on Trade

Bloomberg News

TOKYO — Thomas Foley, the U.S. ambassador to Japan, said Thursday he was concerned about Japan's expanding trade surplus with the United States, adding that the issue would be raised by Congress.

Japan's trade surplus has grown for 14 consecutive months and is more than 28 percent higher than a year ago, Mr. Foley said in a speech at Japan's Federation of Economic Organizations, known as Keidanren.

Mr. Foley urged both nations to work toward new trade agreements, and called on Japan to pursue deregulation in the fields of telecommunications, housing and distribution "with renewed vigor."

The imbalance is "an inevitable political concern—in our Congress and elsewhere—a concern that none of us

can afford to ignore," Mr. Foley said. Japan's merchandise trade surplus with the United States was \$47.2 billion (\$4.23 billion) in October, the highest since December 1994, as companies increased exports to compensate for a slumping domestic economy, according to Japan's Ministry of Finance. The yen's 14 percent drop against the U.S. dollar this year, to around 130 yen, has helped Japanese exporters by allowing them to cut prices on products sold abroad.

Mr. Foley praised the 2 trillion yen tax cut proposed last week by Prime Minister Ryutaro Hashimoto as an important step toward domestic-led growth.

"The achievement of sustained growth in Japanese domestic demand will be a crucial factor in helping the Asian region emerge from its crisis of the past few months," he said.



SANTA'S ELVES? — Stock traders finishing up a shortened trading day on the New York Stock Exchange. The Dow Jones Industrial average closed Wednesday at 7,660.13, down 31.64 points.

IRS Sounds an Alarm On Foreign Tax Credits

By Albert B. Crenshaw
Washington Post Service

WASHINGTON — The Internal Revenue Service has served notice to Wall Street and many of its multinational corporate clients that the agency plans to disallow tax benefits generated by certain international deals that result in foreign tax credits for the companies.

In a notice issued Tuesday, the IRS said it would write new regulations governing such deals and that the rules, whenever they are issued, would be made retroactive to Tuesday.

The move was the latest in a series of efforts by the IRS, the Treasury Department and Congress to snuff out increasingly popular cross-border deals that yield big tax benefits to corporations but have little economic substance. Such deals often involve shifting income to foreign jurisdictions and losses to the United States.

The deals targeted have a number of permutations, but typically involve creation of foreign tax credits that can be used to ease companies' U.S. tax burdens.

For example, a company will acquire

an asset—it could be a bond, a copyright or an interest in a foreign corporation—that generates income subject to tax withholding in another country. That withholding generates credits even if the company makes little or no money on the transaction itself.

"Foreign tax credits are effectively purchased by a U.S. taxpayer," the IRS notice said.

In other kinds of deals, companies exploit inconsistencies in U.S. and foreign tax laws to obtain duplicate benefits in the United States and abroad.

The regulations will disallow foreign tax credits when "the reasonably expected economic profit is insubstantial compared to the value of the foreign tax credits expected," the notice said.

The agency said it would not treat high foreign taxes alone as a sign of abuse and would not disallow them if certain other terms were met.

Foreign tax credits are designed to allow U.S. companies and individuals to invest abroad without being subject to double taxation. But many companies and their Wall Street advisers have discovered ways to convert the credits into a form of tax shelter.

Dollar Rises Against Yen, With No Slowing in Sight

Bloomberg News

TOKYO — The dollar rose against the yen Thursday as foreign exchange markets in Europe and the United States were closed for the Christmas holiday.

In coming days, traders said, the U.S. currency is poised to rise further against the yen unless the government here comes up with more measures to strengthen Japan's financial institutions and bolster the economy.

"It's not exaggerating to say that Japan's future rests on the shoulders of Prime Minister Ryutaro Hashimoto and Finance Minister Hiroshi Mitsuoka," said Yuhiko Kaji, manager in the foreign exchange and international treasury division at Sakura Bank. "Without additional measures, the yen will continue to be sold."

The dollar finished here at 130.15 yen, up from 129.60 yen on Wednesday in New York.

The dollar briefly fell against the yen after Prime Minister Ryutaro Hashimoto said he would consider cutting the national corporate tax rate more steeply than proposed. The Liberal Democratic Party, which Mr. Hashimoto leads, proposed last week that the rate be cut by 3 percentage points, to 34.5 percent.

But it soon recovered on fear that more corporations will fail. Arousing such fear was Tomen, a general trading company, whose stock plunged by the maximum daily amount. Shares of Tokai Bank, Tomen's largest shareholder, also dropped.

"We are worried whether another company will go under," said Makoto Sato, manager for foreign exchange at Bank of Tokyo-Mitsubishi.

The benchmark Nikkei-225 index closed up 375.12 points at 15,300.10.

Amid signs the Japanese economy continues to founder—the government reported Thursday that industrial output in November fell 4.1 percent from October, the sixth decline in the past 10 months—many traders predict that the yen will depreciate in the weeks ahead.

Tetsu Aikawa, manager for foreign exchange at Sanwa Bank, said he expected it to remain weak until at least Jan. 12, when lawmakers reconvene.

"If politicians fail to come up with better measures by mid-January, the yen will continue to weaken throughout the first quarter," he said. "What could boost the yen is not intervention, but a decisive policy that can bring the country out of recession."

EUROPE

Hungary's Witches Face the Taxman

Prosecutor Calls Them a Business, Not a Religious Group

International Herald Tribune

Black magic appears to be no help with red ink. A Hungarian prosecutor says the country's witches must pay taxes on income from their black art, and he has taken them to court over the matter.

The witches say they are a registered church, and that fortune-telling, spell-casting and officiating at weddings are tax-exempt religious activities.

"Witchcraft is an ancient, magical religion. The constitution guarantees that we can provide religious services," Jozsef Meszaros, leader of the Association of Hungarian Witches told a Budapest newspaper. The association claims some 9,800 members.

But Anzhur Berkli, the prosecutor who is suing the witches in Budapest's Central Court, says black magic is a business like any other, and that witches must pay their taxes.

Cheap Airfares for the Elderly

Elderly witches who fear that the government will not let them write off their broomsticks as a business expense have found a friend in Gyula Horn, Hungary's Socialist prime minister.

On a television program, Mr. Horn said he had arranged limited free air travel for senior citizens on the country's state-owned airline, Malev. He said Hungarians aged 65 and over could travel for free in February, March, April, October and November.

The news took Malev executives by surprise, and a spokesman for Mr. Horn later refined the offer. Seniors will have to pay about 20 percent of the ticket price, to cover airport taxes and other costs.

Mr. Horn also said seniors would enjoy free rail travel in Hungary beginning next year. Asked if the announcement might be connected to parliamentary elections scheduled for the spring, Mr. Horn said he could "acknowledge" that there might be a link.

A Dispute With Slovakia

The vast dam complex on the Danube River that Hungary and Czechoslovakia began building at the end of the Communist era is still baulking Hungary. Hungary pulled out of the project in 1989, as Communist Party rule

REPORTER'S NOTEBOOK

crumbled and the country's environmental movement gained political clout. Post-Communist Slovakia finished its half of the project, vast hydroelectric generators and a shipping channel upstream at Gabčíkovo.

But Hungary refused to build two dams at Nagymaros, and tried to halt the work at Gabčíkovo, arguing that it would destroy precious wetlands, irreparably damage the river and destroy an aquifer that supplies Budapest's drinking water. The dispute reached the International Court of Justice, which ruled that Hungary had to find a compromise with Slovakia or pay huge damages.

Now it seems that the Hungarian government's plans to build two smaller dams that would allow Slovakia's part of the project to fully function may cost more than building the original dam.

The new project will cost Hungary at least 500 million forints (\$2.47 billion),

according to a government official running the project. But opposition representatives say the real cost could rise as high as 1 trillion forints because Hungary will have to pay Slovakia for a temporary channel allowing Gabčíkovo to function alone.

Russia Hopes for Contracts

Russia is seeing potentially attractive markets in its old ally in Comecon, the former Communist bloc trade group.

First, Moscow was peeved that Hungary's Paks nuclear power plant ignored partnership offers from Russia's Ministry of Atomic Energy when Paks bid for a Hungarian contract to provide between 800 and 1,400 megawatts of power to Hungary's national grid.

Instead, Paks executives prepared bids with Westinghouse Electric Corp. of the United States and Atomic Energy of Canada Ltd. to build additional reactors at Paks, Hungary's only plant.

Now, there is no word from Moscow, but the Hungarian Defense Ministry has confirmed that it is contemplating the purchase of up to six MiG-29 jet fighters. An opposition member of the Parliament said he thought Hungary would accept up to \$200 million worth of MiGs—as many as 10 planes—as partial payment of Russia's debt. But three Western warplane makers, Lockheed-Martin Corp., Boeing's McDonnell-Douglas unit, and a joint Saab AB British Aerospace PLC venture hope to sell their own fighters to Hungary as it prepares to enter the North Atlantic Treaty Organization.

—PETER S. GREEN

Hardly the Big Board

Across Europe, tiny stock exchanges founded less than 100 years ago as the Renaissance are closing down, victims of the increasing integration of the world economy and the impending single European currency. Here are some that remain, though in Antwerp's case, only until the end of the year.

	ANTWERP Belgium	BREMEN Germany	HANOVER Germany	VALENCIA Spain	BILBAO Spain
Founded	1531	1682	1787	1890	1890
No. of companies	10	150	180	472	240
Average daily trading volume	\$109,400	\$247 mil.	\$258 mil.	\$18 mil.	\$146,000
Antwerp's last day of operation, the last electronically, the daily outcry lasts 10 1/2 minutes.	1997	1997	1997	1997	1997

The New York Times

Antwerp's Old Bourse Cashing Out

Small Exchanges Doomed in an Age of Electronics and the Euro

By John Tagliabue
New York Times Service

ANTWERP, Belgium — The stock exchange in this Flemish port is open every nonholiday weekday, but it is busiest on Tuesday and Thursday. On those days, the exchange not only trades its own shares, but also those that are listed on the big board in Brussels.

So when trading closed at 2:30 P.M. on a recent Tuesday, the five brokers who filed out of the building that houses the exchange felt it had been a good day.

After all, the volume of trading was more than double the daily average. In 15 minutes of business, 4,300 shares had traded hands, worth 12 million Belgian francs (\$326,065). On the New York Stock Exchange, by contrast, 525 million shares, averaging about \$23 billion, trade on a typical day.

Antwerp's origins as a bourse date back to 1531. An early print in the office of Fonne Hendrickx, the exchange's chief executive, shows a Gothic hall with traders in frocks and frilly white collars resembling nothing so much as the paintings of Frans Hals, who traded cloth and spices in the heyday of the Flemish market. Antwerp, said Marc Corluy, the exchange's president, "was a rich city, the New York of the 16th century."

Antwerp may still be thriving as a port, but it's no New York. Its exchange is not only one of the oldest in the world, but also one of the smallest. Its board lists 10 companies alphabetically, from Anhyp NV, a local mortgage bank, to Unie van Redding-en Sleepdienst NV, a local tugboat company.

On most days, there is little trading in any but Anhyp shares and those of a holding company, Belreca, whose principal assets, Mr. Hendrickx said, are shares in Anhyp.

The exchange still turns a meager profit, but electronic trading and the ad-

vent of Europe's single currency are causing an upheaval on European stock markets. So despite the global equity boom, when trading finishes on Tuesday, the Antwerp exchange will close its doors for good. The remaining listed companies will be transferred to Brussels.

With Europe's single currency just over the horizon, said Mr. Corluy, a broker whose firm, Corluy & Co., was founded by his grandfather, "We will have new conditions, a Bloomberg market, a Reuters market—one computer market in European blue chips."

Indeed, the Antwerp exchange is one of many relics whose time is passing, a leftover from the era when Europe's political and economic fragmentation caused securities exchanges to sprout across the Continent.

In Spain, regional exchanges in Valencia, Barcelona and Bilbao continue to operate in the shadow of the principal stock exchange in Madrid. In Germany, seven sleepy exchanges in such cities as Bremen, Stuttgart and Berlin are fast losing ground to Frankfurt, where 80 percent of all German shares are traded, up from 60 percent in 1990.

With further integration on the way, Mr. Corluy said, many of these and even some larger European exchanges are threatened with extinction.

"It will already be difficult for Milan, Madrid, Amsterdam to survive," he said, seated in the Antwerp exchange's beauteous boardroom, under an enormous painting from the school of Rubens.

Clearly, in an age of active securities markets that often seem to echo reverberations from Frankfurt and London to New York and then on to Tokyo and Hong Kong, Antwerp marches to its own drummer.

The exchange's three computer terminals, in a room next to the trading hall, are used to track prices in Brussels,

a half-hour by train to the south. In the past, said Alain Verduyck, a broker with the local firm of Van De Put & Co., trading was heaviest early in the week. "Most Antwerp investors hid on Monday," he said, "after reading the papers over the weekend."

Much of what drives change in Europe, experts agree, is the approaching single currency. With European governments exercising austerity to meet the standards for the new currency, private pension funds are taking of some of the role of the old welfare state. At the same time, money managers are building Europe-wide businesses, altering the financial landscape.

J.R. Knight, special adviser to the Federation of European Stock Exchanges in Brussels, said the prospect of a single currency, "removes the inhibition of would-be investors in foreign stocks."

For the moment, he said, markets in derivatives—tradable vehicles that reflect the underlying value of other assets—are driving consolidation. The disappearance of national money will dry up trade in cross-border currencies.

Even though European governments will continue to issue their own bonds, most of them will eventually be denominated in euros, the new single currency. Most financial instruments are expected to migrate to a handful of dominant financial centers. Stock exchanges are expected to follow a similar path.

Someone who sees the changes clearly is Anne Vlemminckx, deputy chairman of the Brussels Stock Exchange, which will scoop up the remaining Antwerp listings at the start of the year. Brussels is linking its electronic trading system with Amsterdam and Luxembourg and is joining stock exchanges in Amsterdam, Frankfurt and Paris to form a European network of national small-company markets called Euro.NM.

Tokyo Lets 2 Western Firms Sell Funds

Bloomberg News

TOKYO — The Ministry of Finance gave the local asset-management affiliates of Commerzbank AG and Merrill Lynch & Co. licenses Thursday allowing them to set up and sell mutual-fund products in Japan.

Individual Japanese investors, despite a sharp contraction in asset values since the burst of the so-called bubble economy early this decade, hold financial assets valued at more than \$10 trillion, including 44.53 trillion yen (\$344.53 billion) in mutual funds, as of the end of March.

Commerz International Capital Management (Japan) Ltd., the Japanese asset-management subsidiary of the third-largest publicly traded German bank, has capital of 300 million yen and 27 employees.

The company said it planned to add about three employees now that it had been granted the mutual-fund license.

Merrill Lynch International Capital Management Co. is capitalized at \$35 million yen and has 32 employees.

Commerz International enters the Japanese market armed with products developed by the parent bank's worldwide network of asset managers.

"The market is always changing," said Gerhard Wiesheu, managing director of Commerz International, "and the needs of private investors will also change. You have to be positioned to choose the right products."

Commerz International plans to start with a global fixed-income fund and build up to five funds within a year, Mr. Wiesheu said. The bank has acquired an array of money managers in recent years, with a variety of specialties.

Commerz International acquired a license to manage pension funds in Japan in 1994 and now handles more than 400 billion yen in funds for pensions, corporations and life insurers.

Foreign companies now account for more than one-third of Japan's 44 mutual-fund companies.

Goldman Sachs Asset Management Ltd., the local affiliate of Goldman, Sachs & Co. of the United States, is now the ninth-largest manager of such funds in Japan, with about \$5.3 billion, even though it only launched its first fund in June 1996.

Nomura Asset Management Co. is the largest, with more than 10 trillion yen.

ASIA/PACIFIC

Tokyo Cabinet Tightens Budget Amid New Evidence of Slowing Growth

By George Nishiyama
Reuters

TOKYO—Japan's economy showed signs of slowing on Thursday, and while the cabinet approved a budget for the next fiscal year that promises relief with tax cuts, analysts said it would not be enough to stem the negative tide.

Poor data, including a large drop in industrial production, underlined the weakness of the economy, analysts said.

"Concern over the outlook of the economy has not disappeared. Unless some measures are taken, there is a danger that there will be no end to the deterioration in economic conditions,"

said Kenji Yumoto, senior economist at the Japan Research Institute.

The Trade Ministry announced Thursday that industrial output in November fell a preliminary 4.1 percent month-on-month, the biggest drop since March 1996. The ministry used the word "weak" to describe its output data for the first time since October 1995.

The Economic Planning Agency, after announcing that its index of leading economic indicators for October stood at 55.6 — down from 63.6 in September and barely above the so-called boom-or-bust level of 50 on a scale of 100 — said the indicators "show that the economy is stalling."

Japanese housing starts declined 23.5 percent in November from year-ago levels while construction orders were up a modest 5.2 percent.

Despite such economic conditions, the cabinet gave final approval to a tight-fisted draft state budget for the next year, slashing general spending, the core of the budget, by the largest margin ever.

It was forced to relax its austere fiscal policy somewhat, however, settling for a smaller-than-expected cut in government debt issues after Prime Minister Ryutaro Hashimoto's decision to carry out a one-time income tax cut worth 2 trillion yen (\$15.5 billion) in order to boost the economy.

The draft budget for the fiscal year starting in April totaled 77.67 trillion yen, up a mere 0.4 percent from the original budget for the current year. General spending will be cut by a record 570.5 billion yen, to 44.54 trillion yen, down 1.3 percent.

In addition to the income tax cut, the government plans to carry out cuts in corporate, financial and land-transaction taxes for 1998-99 totaling 752 billion yen.

But analysts said the government's draft budget should have backed further away from its austere fiscal stance in order to address Japan's dire economic conditions.

"I don't think I can give it a passing grade," Mr. Yumoto said.

Others said it lacked measures to boost the economy and added that a drastic tax cut was necessary.

"If the government wanted to push up economic growth into positive territory, it should have carried out a permanent income tax cut worth at least more than 5 trillion yen," said Tomonobu Wakabayashi, senior economist at the Industrial Bank of Japan.

Mr. Hashimoto's tax cut applies to incomes for the current fiscal year, although it will be financed in part by next year's budget.

But Finance Minister Hiroshi Mit-

suoka gave high marks to the budget. "It is the first step towards fiscal structural reform," he said.

Spending in key areas such as public works, defense and overseas assistance was slashed. The budget for public works will be cut by 7.8 percent, to 8.99 trillion yen.

Defense spending will be cut for the first time since the Defense Agency was set up more than 40 years ago, falling 0.2 percent.

But Mr. Yumoto warned the government not to be too hasty in its reforms. "If you have one wheel of a car turning faster than the others, then the car will steer off course," he said.

Korean Auto Industry Begins to Stall

By Andrew Pollack
New York Times Service

SEOUL—Automobile production, one of South Korea's best hopes for increasing exports and bringing in needed foreign currency, is in danger of stalling.

It is all because one overly ambitious businessman borrowed too heavily to build a shipyard.

Halla Engineering & Heavy Industries, part of the nation's 12th-largest conglomerate, filed for bankruptcy court protection earlier this month after defaulting on loans it took out to build the shipyard, the dream of the company founder, Chung In Yung.

But as has been the practice with South Korea's diversified conglomerates, other Halla Group subsidiaries lent money to Halla Heavy Industries or guaranteed its loans. So the shipyard default forced Mando Machinery Corp., a profitable Halla subsidiary that is the dominant supplier of automobile parts in South Korea, to file for court mediation to reschedule its debts.

Now, Mando's suppliers are refusing to deliver parts, forcing Mando's production to come to a virtual halt. Mando's stoppage in turn is crippling automobile production.

Kia Motors Corp., one of the nation's big three automakers, stopped producing passenger cars this week.

Hyundai Motor Co., the nation's largest car manufacturer, shut some lines Wednesday.

Hyundai depends on Mando for essential components such as brakes and steering columns.

The shutdowns will not have an immediate effect on domestic sales and exports. Because of South Korea's economic problems, domestic car sales have been slow, and inventories of completed cars are high.

Hyundai said through a spokesman that the company's inventory will last at least until the end of the year.

But after that, the company might be short of cars — at a time when the South Korean car market is only worth about half of what it was a few months ago, would make Korean autos extremely affordable overseas.

It is not quite clear how Mando's plight will be addressed. One banker involved in the situation said government intervention might be needed.

There also is speculation that Mando might be acquired, either by Hyundai itself, which denies any such plans — or by a foreign company.

Ford Motor Co. has several joint ventures with Mando to make car air conditioners and other parts in South Korea and some other countries. It is already increasing its equity stake in one of the ventures, based in Canada.

But a Ford executive here said he was not aware of any plan to buy Mando.

General Motors Corp. also has been mentioned. "I'd love to buy them, but no one has offered them for sale," said Gerald Graham, president of Delphi Automotive Systems, the components division of GM in South Korea.

Halla says it wants to keep Mando as a core business. It will probably have to sell the shipyard, though.

Argentine Fear Asia Imports

Business leaders in Argentina, where the peso is effectively pegged to the U.S. dollar, want protection against Asian imports that devaluations have made much cheaper, they said Wednesday, Agencia France-Press reported from Buenos Aires.

"We have requested monitoring of imports that come from these countries, because as of now, we are simply unable to compete," said Claudio Sebastiani, president of the Argentine Industrial Union. "I am talking about Thailand, Korea, the Philippines and Malaysia, which export \$560 billion in goods a year."

Unlike side effects of the Mexican financial crisis, Mr. Sebastiani said, the Asian market turmoil in Argentina has sparked a "crisis of relative pricing."

He suggested a package of belt-tightening protective measures. The Argentine government has not announced any such plans.

Very briefly:

- ASCII Corp., a Japanese computer-related publisher and software maker, plans to sell 11 million new shares on Jan. 14 to CSK Corp., Sega Enterprises Ltd. and the Industrial Bank of Japan Ltd. The transaction would make CSK the largest shareholder of ASCII, with a 40 percent stake.
- Akihito Tsuji, president of Tomen Corp., a Japanese general trading company, denied speculation the company might file for court protection from creditors. The share price has recently fallen sharply amid speculation the company was hurt by foreign financial losses and could declare bankruptcy. Investors have become sensitive to the possibility of financial trouble at trading companies since Toshoku Ltd., a food products trader, filed for court protection a week ago.
- Nitto Life Co., a Japanese golf course operator, sought court protection from creditors along with Nitto Kogyo Co., its parent company, saying it was no longer able to pay the costs of past business expansion. Japanese golf course operators are faced with demands for fee repayment on membership rights as the market for such rights plunged along with declines in land and real estate prices in the aftermath of the speculative investment boom of the late 1980s.
- Yasuo Hamanaka, the disgraced former king of global copper markets, said he hoped to pay back to his former employer Sumitomo Corp. some of the losses he caused through unauthorized trading. He told the Tokyo district court the money would be paid from an account he held with Union Bank of Switzerland and that "the amount I can compensate is limited to the outstanding balance of my account," which he said totaled \$800,000.
- Thailand's finance minister, Tarrin Nimmanaheminda, said the government would not close any more financial institutions but would focus on strengthening those remaining as part of its overall efforts to revive a battered economy.
- India's economy will grow 6 percent in the year ending in March 1998 despite slowing industrial production growth, the central bank said. Growth had averaged 7 percent in the preceding three years.
- Orix Corp. of Japan, a leasing company, said it would begin negotiations to possibly purchase a trust banking unit of the failed Yamaichi Securities Co.
- Volvo Cars Japan Corp., the Japanese unit of Volvo AB, said it would offer its luxury S70 sedan and V70 station wagon models at a special discount price for a limited 1,700 units beginning on Friday. The domestic selling price for fully equipped models will be reduced by 450,000 yen (\$3,482), to 3.95 million yen for the S70 and 4.15 million yen for the V70.

Merrill Eyes Retail Unit In Japan

TOKYO—Merrill Lynch & Co. said Thursday it was considering opening a retail brokerage subsidiary in Japan — a lucrative market with an estimated 1,200 trillion yen (\$9.28 trillion) in assets.

"Over a long period of time, we have considered many alternatives for entering into the retail business in Japan," the company's Merrill Lynch Japan subsidiary said.

"We believe this may be an appropriate time for us to seriously explore opportunities available in Japan," it said. Merrill said it might hire Yamaichi Securities Co. employees for the venture and take over some offices of that failed Japanese brokerage.

The financial daily Nihon Keizai Shimbun reported that the new brokerage would hire 2,000 employees from Yamaichi and rent the premises of 50 Yamaichi branches across Japan.

Yamaichi said Nov. 24 that it would go out of business because of a severe short-term liquidity crunch and newly disclosed hidden liabilities.

Merrill declined to confirm any numbers but said that if the new company came into existence, it hoped it would get business from former Yamaichi clients.

Prime Minister Ryutaro Hashimoto of Japan welcomed the possibility, saying Merrill's plan to expand in Japan would help revive confidence in the Japanese financial market.

Merrill's move also would be expected to make Japanese financial institutions change their business strategies, and such changes are "natural," Mr. Hashimoto said.

But analysts said an entry by Merrill Lynch into Japan's retail securities business would threaten a domestic brokerage industry already stung by financial scandals and bankruptcies and could spur a reorganization of the industry ahead of the country's planned "Big Bang" financial deregulation.

Japanese media have reported that the new brokerage would start operations in May 1998 and would focus on retail operations — mainly selling foreign and domestic equities, bonds and investment trusts to individual investors.

The unit would become the first foreign brokerage to offer services to individual Japanese investors, they said.

TOYS: Companies Expand Their Product Lines to Make Dolls, Cars and Games Suited for Disabled Children

Continued from Page 11

all shoppers. Equally important, they see an opportunity to broaden their product appeal beyond the handful of hot sellers, such as Holiday Barbie. That is particularly critical during the holidays, when the companies reap up to half their annual sales.

Not that anyone in the toy industry is suggesting that Mattel's Barbie doll will become the next Barbie. But the industry has realized — just as cosmetics makers did when they began offering makeup for black women and car companies did when they began focusing on selling to female customers — that it simply makes good financial sense to cater to overlooked consumer groups.

"The audience has always been there," said Terri Bartlett, a spokeswoman for the toy makers' group. "It was just a matter of being sensitive to

the needs of this particular audience."

That is just what a small company in Portland, Oregon, called People of Every Stripe, did when it began making dolls in the early 1990s that come with prosthetic limbs, hearing aids and glasses.

"In the beginning, we would make one and people would see it either through our catalog or through word of mouth," said Edward Cooper, the co-owner.

"They would call up and say, 'I have a friend who got a doll, but my nephew has this,' and they would describe the problem, and we would attempt to make a doll for that. We got a lot of calls from people who said, 'My child just went through chemotherapy and lost his hair.' The calls prompted the company to create dolls with little wisps of hair.

The company, whose dolls sell for up to \$74 — not including accessories — has had such a rapid expansion of busi-

ness that it has stopped shipping catalogs because it cannot keep up with demand.

The product guide for the blind became a popular shopping tool because the toys were chosen by the American Foundation for the Blind, which looked for features such as an ability to inspire a child to explore or to promote awareness of textures. The endorsement seemed to give consumers a sense of security, the association said.

"If you know blind children, you are so nervous about giving them something they can't play with," said David Miller, president of the trade group in New York. "They get apparel or anything else but a toy."

Toy companies have also learned that serving this market requires ingenuity and sensitivity.

Mattel ran into a problem with Becky when the doll's wheelchair did not fit into the elevator of Barbie's Dream

House. That upset some youngsters and prompted calls from parents. The house has since been modified.

Little Tikes, too, got complaints from parents a few years ago that children with limited mobility were having trouble playing in some of their patio houses. "We learned that children who use wheelchairs and crutches had less access to some of these toys, and that concerned us," said Lorrie Paul Crum, a spokesman for Rubbermaid Inc., the parent company of Little Tikes.

While the industry agrees that more needs to be done to serve this market, it is divided on whether to simply market traditional toys to the handicapped or to play up items specially created or modified for them.

Kaybee Toys, a unit of Consolidated Stores Inc., has featured items such as the modified Little Tikes patio houses, while Dayton Hudson Corp. does not single out specific toys because it does not want to

limit the choice for such children.

Small specialty toy companies have found a niche modifying toys to enable children with limited mobility to play with them.

One such operation in Bohemia, New York, Kapable Kids, adds devices to toys that many handicapped children would otherwise not be able to use. In battery-powered toys, for instance, it replaces tiny, hard-to-flip switches with devices that can be squeezed or pulled.

Whatever the improvements, those who care for disabled children say the changes could not have come soon enough. Some also say the progress does not go far enough.

"Toys are important for all children," said Dr. Philip Ziring, chairman of the American Academy of Pediatrics' committee on children with disabilities. "They just need to be the right toy for the right child, and that is not always an easy decision."

KOREA: Tokyo Pushes Japanese Banks on Loans After Seoul Collects \$10 Billion Early

Continued from Page 1

coming a wider global problem. This group moved quickly and quietly this week, drafting the plan in secret meetings and globe-girdling conference calls.

As part of the initiative, private banks in the United States, Japan and Europe that have lent money to South Korea have been asked to negotiate deferred payment of the more than \$100 billion they are owed in the next 12 months, and possibly to provide new longer-term loans as well.

The effort to rush money to Seoul was presaged by an announcement Tuesday by the World Bank that it would break with its procedures and speed \$3 billion of its portion of the rescue plan. The efforts are aimed at stemming a panicky flight of foreign capital that has left South Korean banks and companies benefit of funds and sent the nation's stock and currency markets into a free fall.

The original bailout plan was supposed to restore confidence by convincing investors and lenders that Seoul would restructure its debt-laden economy and could get its hands on the U.S. dollars and other hard currencies it needed to meet its obligations to foreigners. The idea was that as confidence returned, foreign banks would renew

lines of credit and replenish the coffers of South Korean financial institutions.

But the rescue plan's architects were forced to admit Wednesday that they needed to fortify the plan, in the face of relentless pressure in South Korean financial markets.

"It was our view that we needed to take another group of steps," U.S. Treasury Secretary Robert Rubin said. "They should work. On the other hand, there are no guarantees. But it is enormously in our economic and national security interest that economic stability be restored in Korea."

The IMF, which is leading the rescue effort, issued a statement declaring that its managing director, Michel Camdessus, intended to recommend to the board of the 181-nation institution "a significant acceleration of the resources available to Korea." Both Mr. Rubin and the Fund stressed that, in exchange, Korean authorities had agreed to "an intensification and acceleration" of measures to revamp the nation's economic policies.

Mr. Rubin had rejected pleas from Seoul for Washington to provide its \$5 billion portion of the aid package early, asserting that the U.S. pledge — along with those of other countries — was intended to be a "second line of defense" to be used only if the IMF and

World Bank loans proved inadequate.

Keeping the U.S. loan in reserve was important politically to Mr. Rubin, who drew intense criticism during the 1995 rescue of Mexico for having committed \$20 billion in U.S. funds to the bailout of that country. Indeed, at the time the South Korean rescue package was announced, Mr. Rubin said Seoul would probably never have to draw the U.S. loan.

On Wednesday, however, Mr. Rubin acknowledged that several developments had undermined the assumptions behind the initial package — even though he continued to say it was "a strong program" that should have revived market confidence.

The Treasury secretary noted that the authorities in Seoul initially signaled "uncertainty" about their willingness to implement painful restructuring measures, particularly steps that could entail layoffs and bankruptcies. South Korea was also in the midst of a presidential election, raising doubts about whether a new president would adhere to the plan. Those factors added to investors' anxieties, and intensified the selling pressure in South Korean markets.

Moreover, South Korean officials unintentionally deepened market fears by going public with their pleas for emergency loans. "With regard to markets, perhaps things could have been done

more effectively," Mr. Rubin said.

But he said that "another factor is what's gone on in Japan," suggesting that Asia's largest economy should bear a portion of the blame for having failed to take sufficient steps to restore economic growth in the region. Washington has been prodding Tokyo for months to adopt a more stimulative policy and thereby help bolster the ailing economies of its Asian neighbors by increasing demand for their products.

Whatever the causes of the new rescue package, the Treasury may now face intensified criticism that by going to such extraordinary lengths to bail out faltering countries, it is saving rich banks and investors from the losses they should incur for making risky financial bets.

"The purpose of this is not to help creditors and investors," Mr. Rubin said. "The purpose of this is to help Korea."

But he admitted: "A byproduct is we help investors and creditors."

Mr. Rubin argued that the new package should not be criticized as a bailout for banks because it includes provisions for foreign banks to share in the burden. Statements issued by Mr. Rubin and the IMF contained phrases asserting that the speeded-up loans were being provided "in the context of a significant voluntary extension of the maturities of existing claims by international bank creditors."

Asked if that meant that banks would be effectively forced to take losses or reduced interest payments on their loans, Mr. Rubin said it would depend on how negotiations go between the banks and Korean borrowers. He was even less forthcoming when asked whether private bank cooperation was necessary for the disbursement of loans by the U.S. government and other parties to the rescue package.

South Korean financial institutions have more than \$10 billion of debt that matures by Dec. 31. In January and February, another \$18 billion comes due. The IMF said it planned to provide South Korea with \$2 billion Dec. 30, moving up the initial schedule from Jan. 8.

The Group of Seven industrialized countries, plus Australia, Belgium, Netherlands, New Zealand, Sweden and Switzerland, said they would also deliver \$8 billion to South Korea next month. The G-7 members are Britain, Canada, France, Germany, Italy, Japan and the United States. (W.P. Bloomberg)

China to End Lending Quotas

BEIJING — In a major change spurred by the Asian financial crisis, China announced plans Thursday to drop quotas on lending by state-run commercial banks as of Jan. 1.

Dai Xianglong, governor of the People's Bank of China, told state television that the State Council, or cabinet, had approved the measure.

Instead of imposing quotas, the central bank will issue a plan that will serve as a guide and reference for commercial banks when deciding lending volume, the report said.

Commercial banks will have to balance the inward and outward flow of funds themselves, it said. Li Tieying, minister of the State Commission for Economic Restructuring, was quoted as saying that the aim was to give the government more indirect monetary controls.

Credit quotas — a legacy of Communist central planning dating from

the 1950s — were set by the central bank each year and divided among the four big state banks.

The combined credit quota for Bank of China, Industrial & Commercial Bank of China, China Construction Bank and China Agricultural Bank was set at \$60 billion yuan (\$9.27 billion) for 1997.

The system was designed to allocate credit through bureaucratic methods to state industry, but it is now one of the biggest obstacles to the creation of a genuine commercial-banking system. Credit quotas also are one of the main culprits in the accumulation of huge quantities of nonperforming loans.

The Asian currency crisis has focused Chinese economic policymakers on financial risk and the need to reduce debt. Beijing is trying to promote sound credit practices and do away with the kind of lending that is done by administrative fiat.

Beijing to Offer New Incentives

BEIJING — China will offer new incentives as early as Jan. 1 to attract investment in high technology and may open investment in industries now closed to foreigners, such as transportation, officials said.

While foreign investment in China in 1997 is likely to exceed last year's record of \$42.3 billion, Chinese officials are concerned, as investment approvals, down 27.1 percent in the first 11 months against the like period in 1996, point to a slowdown in inflows.

"China will continue to open wider, and the steps will become bigger," said Xu Changwen, a division director of the International Trade Research Institute. He said companies setting up high technology projects would not have to pay duty on equipment imports.

The incentives were discussed at a three-day closed-door national conference on foreign investment that ended Wednesday in Beijing.

State media have yet to disclose any specific changes following the meeting, but the official People's Daily said in an editorial Thursday that China "cannot do without foreign investment if the pace of its modernization is to be accelerated."

Ventures in industries where Beijing has decided foreign investment must be "encouraged" will receive 50 percent reductions in capital import duties, Mr. Xu said.

Foreign companies will be keen to see which ventures are eligible for import tax waivers. When exemptions on such duties were canceled in April 1996, U.S. companies estimated that the costs of setting up businesses in China would rise an average 28 percent.

Mr. Xu said another of the incentives would be to allow investment in sectors now closed to foreign companies if the ventures were located in poorer central or western provinces.

"Foreign companies will also be allowed to invest more in energy, transportation and agriculture, while telecommunications will be gradually opened," he said.

(Bloomberg, Reuters)

WORLD STOCK MARKETS

Thursday, Dec. 25
Prices in local currencies.
Tenders

	High	Low	Close	Prev.
Bangkok				
SET Index: 240.08				
Premier: 242.28				
Bank of Thailand	234	229	230	229
Commercial Bank	123	120	121	121
Union Bank	930	920	930	930
ITC Bank	410	407	408	408
Bank of Commerce	372	368	369	369
Bank of Siam	45	44.75	44.80	44.80
Chakrabarti	9.20	9.10	9.10	9.10
Bank of India	47.25	47.25	47.25	47.25
Bank of China	12	12	12	12
Bank of Japan	20	19	19.25	
Tokyo				
Nikkei 225: 15,200.10				
Previews: +4574.94				
Yamaha	1340	1330	1330	
Nissan	520	491	494	496

Markets Closed
Markets worldwide were closed Thursday for the Christmas holiday.

	High	Low	Close	Prev.
Bank of India	2440	2280	2290	2290
Bank of China	555	550	550	550
Bank of Commerce	469	461	463	463
Bank of Siam	447	412	433	433
Bank of Thailand	1790	1730	1730	1730
Bank of Japan	244	232	233	233
Bank of Korea	2690	2560	2570	2570
Bank of India	2880	2840	2890	2890
Bank of China	2010	1980	1990	1990
Bank of Commerce	1840	1830	1840	1840
Bank of Siam	2120	2080	2090	2090
Bank of Thailand	520	520	540	540
Bank of Japan	770	770	770	770
Bank of Korea	2720	2640	2650	2650
Bank of India	290	249	255	272
Bank of China	731	645	646	646
Bank of Commerce	445	417	426	426
Bank of Siam	3490	3150	3160	3230
Bank of Thailand	3430	3240	3270	3290
Bank of Japan	4950	4800	4840	4840
Bank of Korea	1940	1880	1940	1940
Bank of India	440	440	440	440
Bank of China	545	475	500	474
Bank of Commerce	5120	4880	4900	4900
Bank of Siam	1420	1360	1410	1390
Bank of Thailand	1000	990	1000	1000
Bank of Japan	244	244	244	244
Bank of Korea	4900	4640	4640	4640
Bank of India	244	244	244	244
Bank of China	252	195	200	200
Bank of Commerce	144	144	144	144
Bank of Siam	440	420	420	420
Bank of Thailand	340	324	340	341
Bank of Japan	440	440	440	440
Bank of Korea	1800	1640	1660	1670
Bank of India	440	440	440	440
Bank of China	2100	2100	2140	2140
Bank of Commerce	1800	1800	1830	1830
Bank of Siam	171	171	171	171

Asked if that meant that banks would be effectively forced to take losses or reduced interest payments on their loans, Mr. Rubin said it would depend on how negotiations go between the banks and Korean borrowers. He was even less forthcoming when asked whether private bank cooperation was necessary for the disbursement of loans by the U.S. government and other parties to the rescue package.

South Korean financial institutions have more than \$10 billion of debt that matures by Dec. 31. In January and February, another \$18 billion comes due. The IMF said it planned to provide South Korea with \$2 billion by Dec. 30, moving up the initial schedule from Jan. 8.

The Group of Seven industrialized economies, plus Australia, Belgium, Netherlands, New Zealand, Sweden and Switzerland, said they would also deliver \$8 billion to South Korea next month. The G-7 members are Britain, Canada, France, Germany, Italy, Japan and the United States. (WP, Bloomberg)

WORLD ROUNDUP

Luxurious Yankees

BASEBALL The New York Yankees must pay \$4,438,141 in luxury tax by Jan. 31 for redistribution by Major League Baseball.

The teams with the top five payrolls for 1997 must pay \$12 million between them. The Yankees, with the biggest payroll in baseball, must pay most. The Yankees' payroll for luxury tax purposes was \$68,267,435, and they must pay 35 percent of the portion that is above the tax-triggering threshold of \$55,587,031.

The other teams paying tax are the Baltimore Orioles, who must pay \$4,033,689; Cleveland, \$2,072,457; Atlanta, \$1,306,918; and Florida, \$153,046. (NYT)

Collymore Is Arrested

SOCCER Stan Collymore, the Aston Villa and England striker, has been charged with assault, police said Thursday.

Collymore, 26, was arrested in Cannock, Staffordshire, on Christmas Eve and released on bail. The Birmingham Evening Mail reported that the alleged assault was on Collymore's former girlfriend, Michelle Green, after an angry confrontation over access to their 23-month-old son, Thomas, during the Christmas holiday period. (AP)

Forest Sues Anderlecht

SOCCER English club Nottingham Forest and 16 of its former players have started court action against Anderlecht over the 1984 UEFA Cup bribery scandal.

Forest had tried to negotiate compensation but served a writ on Wednesday, said Filip Goemans, Forest's Belgian lawyer. Constant Vanden, the Belgian club's former chairman, admitted in September having paid one million Belgian francs (\$27,000) as a "loan" to the referee in the second leg of the 1984 semifinal which it won, 3-0. Forest had won the first leg, 2-0. (Reuters)

A Murky Business

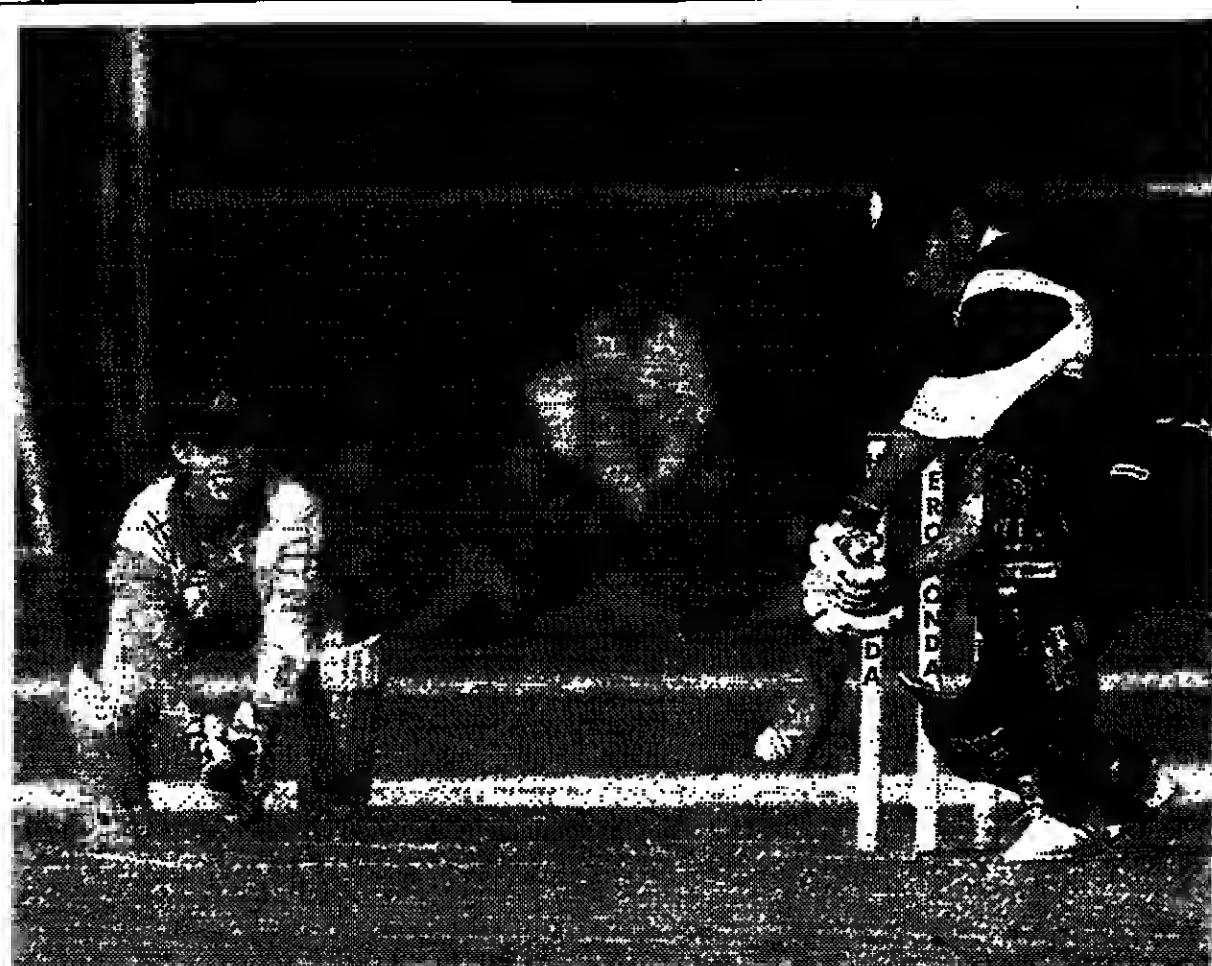
SOCCER Reports linking floodlight failures at English Premier League matches to a Far East betting ring were dismissed as conjecture by the English Premier League on Wednesday.

The Wimbledon-Arsenal match on Monday was the third this season to be abandoned when the floodlights failed. Reports in British newspapers suggested a Far East gambling group was responsible. Monday's game ended 0-0, seconds into the second half. For betting purposes, the match score counts once the second half has started. (Reuters)

Argentina Fights Thugs

SOCCER Argentina is setting up a police unit with powers to deal with worsening soccer violence after a fan was shot to death at a first division match, security and sports officials said. On Friday, a 24-year-old fan of Huracan was shot in the head at a local derby against San Lorenzo. A police helicopter filmed fans pelting each other with stones outside the stadium and ignoring the body of Ulises Fernandez stretched out on the ground.

In another incident, a cameraman lost an eye when he was hit by a firework thrown during Sunday's match in which River Plate clinched the league title. (Reuters)



Chandrakanta Ahir of India driving a ball in the semifinal of the Women's Cricket World Cup, against Australia, in New Delhi. Australia won by 19 runs to reach the final, where it will play either England or New Zealand. The match was curtailed by fog. Australia made 123 runs for seven wickets in its 32 overs. In reply, India could only make 104 for nine after four of its players were run out. Ahir was the top scorer with 48.

A Pitch Where Cricketers Fear to Tread

Agence France-Presse

INDORE, India — India's second one-day international against Sri Lanka was abandoned after 18 balls Thursday when officials ruled the pitch was too dangerous for play.

Sri Lanka had reached 17 runs for one wicket from three overs when the match ended. The ball had begun breaking through the pitch's dusty top surface from the first delivery.

When Rosban Mahanama was cracked on the fingers by another delivery that rocketed off the ground from Sanath Jayasuriya, the match ground to a halt as a large group of officials joined the players in the middle to examine the wicket.

Sri Lanka's captain, Arjuna Ranatunga, joined his Indian counterpart, Sachin Tendulkar, the umpires, both teams' coaches and Zimbabwean match referee Ahmed Ebrahim

as the 25,000-capacity crowd became increasingly restless.

The talking lasted about 40 minutes before the teams were left off the field.

Ebrahim said: "It's a sad day for cricket. Both the ends of the track looked dangerous and the two skippers expressed fears about the danger to their players."

He added, "I won't say they were unwilling, but they expressed concern about the quality of the wicket. It could have been played with only spinners in the attack, but I thought that would be unfair to the game."

Ranatunga and Tendulkar had complained about the pitch Wednesday, but it was decided it was too late to prepare an alternative wicket.

The final one-day international is due to be played at Goa on Dec. 28.

Holyfield-Lewis Bout Is on the Ropes

Negotiations Break Down Amid Accusations From Each Fighter's Camp

Compiled by Our Staff From Dispatches

The proposed heavyweight unification match between Evander Holyfield and Lennox Lewis looks more than likely to end up in the category of great fights that never happened, after Holyfield's promoter, Don King, and Time Warner Sports, which would have televised the bout via the cable-television station HBO, failed to reach an agreement.

"The Grand Canyon was unbridgeable," said Seth Abraham, president of Time Warner Sports, referring to the differences that remained after a three-hour meeting to negotiate the terms of the fight ended early Tuesday.

Abraham said that while the talks might resume at a later date, he doubted the fight could be held in the near future. King denied Wednesday that his demands for a guarantee had sabotaged plans for the bout.

"I never discussed a promotional fee for me," King said. "I only discussed what the event would cost. I knew when I came out with the truth, they would put a negative spin on it. The fight won't take place because HBO won't put up the money for the fight to take place."

King disputed reports that he had insisted on a guarantee of between \$5 million and \$8 million before the fight earned a penny. "I never asked anybody

for any money," King said. Abraham acknowledged that a fee for King had not been a subject of conversation during the meeting. But Abraham added: "In conversations which I had directly with Don before the Monday meeting, Don told me what kind of profit he was looking for. It started at \$8 million and worked its way down to \$5 million."

HBO, which had agreed to terms with Lewis, was only prepared to guarantee a pay-per-view audience of 650,000. The viability of pay-per-view minus the presence of a star like Mike Tyson, who is currently under suspension, remains one of the complex issues in fight negotiations.

"They don't want it, and they don't want anyone else to have it," King said. "His deadline for making the fight is Friday. They have the ability to make it happen," he said.

King's position, Abraham said, was an attempt to "cover himself with his client," meaning Holyfield. "The fight got scuttled because Don wanted a multimillion-dollar contract," Abraham said. "I stand by that."

Countering King: "You can't expect to get the same burn-off-the-month prices and expect to get Evander Holyfield. Ray Charles can see through

that."

On Monday, Panos Eliades, Lewis's London-based promoter, announced that a \$50 million deal had been made for the fight, with Holyfield getting \$30 million and Lewis getting \$20 million. Abraham said King never revealed the amount of money that he was seeking for Holyfield.

Without Holyfield, Lewis would probably schedule a March fight with an opponent drawn from list that includes James "Buster" Douglas, Larry Donald and Shannon Briggs. Holyfield has a mandatory WBA defense scheduled against Henry Akinwande. But both sides agree that Lewis-Holyfield would be the public's preference. (NYT, Reuters)

Boxer Celebrating Victory Dies

A Zambian boxer who went into a coma two days after winning the Commonwealth light welterweight title on Dec. 13 has died, the Zambian sports minister, William Harrington, said Tuesday, Agence France-Presse reported from Lusaka.

Felix Bwalya fell into a coma after reportedly going on a drinking spree after his controversial victory over Paul Burke of Britain in Lusaka.

Friends of the boxer told local media that Bwalya, who was taking medication for malaria, went on a two-day drinking binge soon after the fight. He had complained of headaches and been taken to the intensive-care unit of the local hospital, where he lapsed into a coma.

Cry for Me Argentina: Tears for a Fallen Hero

Maradona's Career Ends as a Soap Opera

By Sebastian Rotella
Los Angeles Times Service

BUENOS AIRES — Once there was a boy with a magic left foot. His name was Diego Armando Maradona.

He was a poor boy from a poor neighborhood. At 10, he dazzled stadiums with juggling exhibitions during half-time at professional soccer games. He danced with the ball, making it float with his foot, his knee, his head, lost in impish rapture. When the referees tried to stop the boy and resume the games, the crowds roared.

At 19, he led Argentina's national youth team to a world championship.

At 25, his conquest of the World Cup crowned him best of the best. In the 200 nations where soccer is a religion, God was a short burly figure charging into an array of rivals, tree-trunk limbs chopping, black curls flying, carving through the defense until even the goalkeeper sprawled behind him. And the magic left foot fired the ball into the net.

As the new year begins, Argentina's soccer fans must look ahead to others carrying their hopes in the 1998 World Cup. The season that ended last weekend seems to have brought the last sighting of Maradona as a player.

Unlike Eva Peron, another 20th-century Argentine idol, Maradona did not die young and leave a legend frozen in its prime. In the 1990s, he has tottered through a prolonged decline, a painfully public struggle between two addictions: soccer and cocaine.

After yet another comeback this fall disintegrated into yet another soap opera involving allegations of drug use, Maradona uttered the words he had said before but never meant: I quit. The sudden pronouncement came during an agitated phone call to a radio show on the eve of his 37th birthday on Oct. 30. It was the sixth time he had retired.

"This will be the saddest birthday of my life," Maradona said. "The soccer player is no more. No one is sadder about this than me."

He retreated into seclusion. In early December, during the announcement in France of the draw for next summer's World Cup, French fans held up a banner with a picture of Maradona and a forlorn slogan: "There is only one God."

"It is hard to say who the real Maradona is," said Guillermo Blanco, his former press spokesman. "He has all the human qualities that we all have. But most of us maintain a balance. He takes every quality to the exponential level. When he is kind, he is the kindest of all. When he is bad, he is really bad."

Most Argentines adore Maradona as a prodigal son who brought them global glory. They are proud that he can't walk down the street in Japan, Saudi Arabia or Nigeria without being mobbed.

Off the field, Maradona has made news with his mouth. He unloads verbal volleys at club owners, coaches, politicians, international sports officials and journalists. (He has also been charged with sniping at reporters with an air gun.) He sides with Third World against Fidel Castro and talks about moving to Cuba. In Italy, he transformed the unsuccessful Naples team into a champion and waved the banner of the poorer South against wealthy North.

"He has a need for confrontation," Blanco said. "He knows that he belongs to those on the bottom. He will never forget that there was a foreman who mistreated his father back in Corrientes."

Maradona puts it this way: "The people in the street support Maradona. And no one will ever break that."

But the loyalty of the masses was tested by the chaotic final chapter. It was the latest of a dozen comebacks since the night in 1991 when police hauled a dazed, unshaven Maradona out of a crash pad here and arrested him on charges of possessing cocaine. He admitted to a longtime addiction.

During the next five years, Maradona

wandered among teams, injuries, tantrums and a short-lived coaching attempt before returning to Boca Juniors, the dominant Argentinean team that launched him as a youth. Last year, a weight problem and a string of demoralizing missed penalty kicks pushed him into quitting Boca. He swore he had played his last game; he spent time at a Swiss rehabilitation clinic.

Despite his earlier vow, Maradona signed a contract with Boca for the fall season. He trained in Canada with an unlikely fitness coach, Ben Johnson, the Olympic sprinter who was banned from competition for steroid use. Maradona lost almost 20 pounds. He looked good. Maradona had risen out of the ashes into fighting shape before.

He did it in Barcelona in 1983, after Andoni Goicoechea, a notorious Basque fullback, demolished his ankle with a tussling tackle, and after the U.S. World Cup in 1994, when he got kicked out in mid-tournament after a drug test turned up a "cocktail" of stimulants.

THIS SEASON, fans saw flashes of the old brilliance. He panted laser-sharp passes and unleashed an uncanny snorter-step. There was talk that he should be enlisted to play in the World Cup in France next summer.

But after a game in August, his name came up for a random urine test. The results were positive. Cocaine, the rumors said, although officials did not specify. Maradona was suspended.

Argentina peaked in the 1980s, leading Argentina to the World Cup victory and Naples to two league titles. His addiction had begun by then.

Maradona felt at home among the festive, streetwise Neapolitans. He parted with Mafia bosses. Maradona's tribulations multiplied: police investigations for involvement in prostitution and trafficking, a paternity suit. A failed drug test sent him packing to Buenos Aires.

Throughout his ordeals, Maradona stumbled back and forth between family and encourage, the staunch stay-at-home father one moment and the party-goer running wild in flashy clubs the next. "I think that is his drama: knowing that despite all the love he feels for his kids, he has not been able to use that love to overcome his addiction," Rafael said. "It's impossible to grasp the dimensions of the fame he carries through the world. Soccer is a passion, like all passions it is totally irrational. How can we expect this kid to handle that kind of burden?"

After his suspension was lifted this fall, Maradona played a few undistinguished games in October. The reception from the Boca fans cooled. His much-anticipated, this-time-for-sure retirement was greeted with relief among those who felt he had done unnecessary damage to his body and his image.

Maradona does not have the personality of an ex-player who will slide easily into a new career as a sportscaster or as a coach, although both are prospects. On Dec. 7, he broke weeks of silence to announce plans for a farewell world tour with a team of rookies and fellow veteran stars.

So the long good-bye will continue. Its most heartbreak moments will come from the streets, from the people who wanted to believe every time he took the field and who suffered every setback as if it were a family tragedy. People such as Hugo Emilio Costa of the province of Santa Fe, the author of a letter to the editor last month in the sports weekly Ole.

"How do I make my son understand that he was the best, that there will never be another like him?" Costa wrote. "My son, that guy you see there was the greatest. His left foot was a pentagram of musical notes. When his foot caressed the ball, he made it go places where a normal person could not send it with his hands."

The letter ended with these words: "My son dries his tears because he sees how his father sheds tears for a soccer player whose name was Diego Armando Maradona."

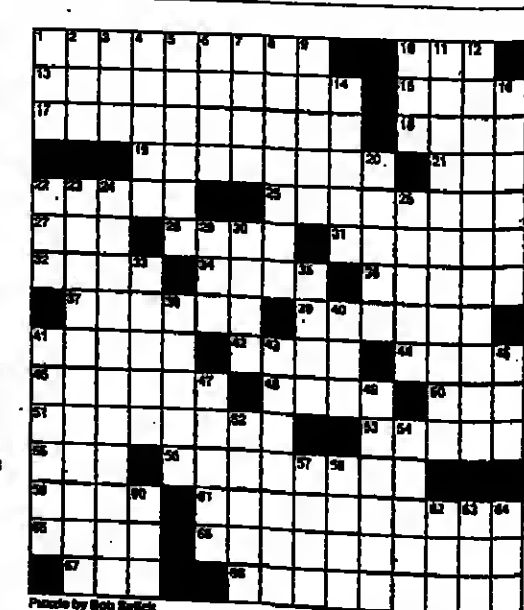
CROSSWORD

ACROSS
1 Alghen's cover
10 Patient remarks
13 Secretaries
17 Hold on
17 19 years, roughly
18 Director Kanton
19 Made a comeback?
21 Nice attraction
22 References, often
25 Skip a dinner date
27 Ancient mount now called Pelion
30 Band member
31 Supplicant representations

DOWN
2 Leg up
24 Copycat's request
26 One of Chekhov's Three Sisters
27 Half a TV duo
28 Marine food fish
41 Catch, in a way
42 1980 Chrysler debut
43 Epiphany figures
46 Records
48 Latin quarter word?
50 How'er
51 West German Chancellor, 1949-63

ACROSS
55 Tobacco kins
56 — Alle
57 (51-Across)
58 The Cartwrights, e.g.
59 Bit of stitching: Abbr.
61 Take it from the top?
62 Site of Theo. Roosevelt Natl. Park
66 Purges
67 Sign of caution
68 Play catch, with "around"

DOWN
1 Débutante's affair
2 Bird that lays dark green eggs
3 Marvel arts design
4 Tasse in
5 Least talented
6 Profit with angle
7 Greek war goddess
8 Really funny
9 It's found around the mouth
10 Bowl over
11 "Pig of My Heart"
12 Minkers, 1947



© New York Times/Edited by Will Shortz.

Solution to Puzzle of Dec. 24
NAMES JACK ORCA
ASONE AMOI LOLL
CHRISTIANSTREUP
LENGHTH WIGGLESSES
WEST CNN
WREATHONTMEDOOR
HOS SARAH SENNA
ETTA TERRI RECT
LOESS AEONS ULE
PRESENTSWRAPPED
ELI NONO
PLUMETS ANGLARE
SITBACKANDRELAX
ARTLE STINA TRENE
TALLE SEIGT ASSIS

Escorts & Guides

BELGRAVIA ORCHIDS
LONDON - EUROPE
THE FINEST & THE MOST SINCERE
18 - 36 INTERNATIONAL
BEAUTIFUL & ELEGANT
SECRETARIES, AIR HOSTESSES &
MODELS AVAILABLE AS
YOUR COMPANION 24 HOURS
Escort Agency Credit Cards Welcome
TEL: LONDON ++44 (0)
0171 589 5237

INTERNATIONAL ESCORTS
"Perfect Service" Debut Vogue
"Best in New York" New York Mag.
World's First & Most Exclusive Service
Models, Beauty Queens, Actresses
Entertainers, Hostesses, Secretaries
Multi-national Travel Companies
Also featured in International News
Media & TV. Video tapes & Photos avail-
able for selection. Credit cards accepted.
Holds: 1-212-765-7896
info@intl-escorts.com
USA & WORLDWIDE

AMSTERDAM BERNADETTE
Escort Service & Dinner Dates
Tel: 631 63 36 or 631 64 43

BELGRAVIA ORCHIDS
LONDON - EUROPE
THE FINEST & THE MOST SINCERE
18 - 36 INTERNATIONAL
BEAUTIFUL & ELEGANT
SECRETARIES, AIR HOSTESSES &
MODELS AVAILABLE AS
YOUR COMPANION 24 HOURS
Escort Agency Credit Cards Welcome
TEL: LONDON ++44 (0)
0171 589 5237

HIGH SOCIETY
Worldwide Executive Escort Service
HDO ++44 (0) 700 44476
info@high-society.net

INTERNATIONAL ESCORTS
"Perfect Service" Debut Vogue
"Best in New York" New York Mag.
World's First & Most Exclusive Service
Models, Beauty Queens, Actresses
Entertainers, Hostesses, Secretaries
Multi-national Travel Companies
Also featured in International News
Media & TV. Video tapes & Photos avail-
able for selection. Credit cards accepted.
Holds: 1-212-765-7896
info@intl-escorts.com
USA & WORLDWIDE

PARIS APOLLO ESCORTS
service@apolo-escorts.com
+33(0)1-5789-221 / +33(0)1-5789-224

PARIS APOLLO ESCORTS
service@apolo-escorts.com
+33(0)1-5789-221 / +33(0)1-5789-224

Do you LIVE IN DENMARK?
For a hand-delivered subscription
on the day of publication
in major Danish cities,
call 00 33 1 4143 9361
Herald Tribune
THE WORLD'S DAILY NEWSPAPER

Handwritten signature: J. J. J.

SPORTS



Ulf Samuelsson of the New York Rangers, wearing No. 5, battling for the puck with Alexander Selvanov, No. 29, of the Tampa Bay Lightning as the Rangers' goaltender looks on. The Rangers won, 4-1.

Giants' Chief Rookie Gets His Due

Fassel, NFL's Coach of the Year, Wishes He Could Call His Dad

By Bill Pennington
New York Times Service

NEW YORK — The New York Giants had just won the National Football Conference's Eastern Division with a victory over the Washington Redskins that completed a startling last-to-first renaissance before the Giants' biggest home crowd ever.

Giants fans — resurrected, refreshed and renewed — had cheered the team and its rookie head coach, Jim Fassel, off the Giants Stadium field.

Fassel had received his first sideline Gatorade shower from his players, and he had individually thanked each of them at their lockers. He had hugged his wife, Kitty, and each of his four children.

There were group hugs for friends, then personal thanks to the team's general manager, George Young, and the team's owners, Wellington Mara and Bob Tisch.

Finally, there was one more person Fassel wanted to thank: for a fleeting moment he thought of making one last, important phone call. "I thought about calling my dad," Fassel said, seated in his office. "I don't know if I should say that, but I did."

Bud Fassel, the father whose dreams of being a coach were realized in his only son, died five years ago in an automobile accident.

On Wednesday, the son was named the National Football League's coach of the year by The Associated Press, an award that recognizes the revival of a team that had limped through two dreary, lifeless seasons in a row before Fassel arrived.

"My heart went out to Jim when he told me he wanted to call his dad," Kitty Fassel said later, "because his dad would have loved this. Jim is a guy who wants to make everything better. He's the guy who fixes what's wrong. Bud's death is the one thing he can't fix."

Fassel instead called his mother, Dorothy, and his two sisters, Debbie and Linda, in Arizona.

"Before every game, my dad used to always tell Jim: 'Hey, don't forget to have fun,'" Debbie Richards, Jim Fas-

sel's younger sister, said in a telephone interview Monday. "We all know how much it would have meant for my dad to be around for this. But Jim knows Dad would have been proud of him."

Bud Fassel was the assistant fire chief in his native Anaheim, California, until he decided in 1955 to take a job with more regular hours so he could spend more time with his family. His neighbor across the street was Claire Van Horne, the Anaheim High School football coach who would become a legend in Southern California scholastic sports. Van Horne was creating a new position for his program: a full-time equipment man.

Bud Fassel took the job, and his son began spending all his time at the Anaheim High athletic complex. "The two of them were always down at that gym," Dorothy Fassel said. "Oh, the hours they spent together."

There were uniforms to wash and football helmets to repair and conversations with the various coaches about their teams and their players. "My dad always wanted to be a coach," Jim Fassel said. "But he had been in the war and hadn't gone to college, and he didn't have his teaching certificate. But all the coaches marveled in how he handled people."

"If some kid wanted to quit, the coach would tell him to go turn in his uniform to my dad. Nobody ever quit. Guys didn't get past my dad. He talked them out of it."

For years, Bud Fassel also ordered extra basketball shoes and athletic apparel. And then, as if by some miracle of fair play, this surplus always showed up on the Anaheim High students who didn't have the means to buy the equipment themselves.

Little wonder, after Bud Fassel's death, that Jim set up a memorial fund in his father's name that assists Anaheim students from underprivileged homes.

"He knew everything, even which kids didn't have lunch money," Jim Fassel said of his father. "He'd have my mother make extra sandwiches, and he'd bring them to school and leave them in kids' lockers."

"I learned everything about how to relate to people from him. How to ob-

serve and get along with them, too."

The team concept, that no single player is bigger than the whole, has been an important element of every motivational effort Fassel has made with this year's Giants. He knew that last year's Giants were bitterly divided — defense against offense, Fassel insisted that they come together.

This year's Giants have also learned another Fassel rule: Do not shirk your responsibilities to the team by giving less than your best effort. When Fassel, 48, was handed the Giants' job last January after spending 1996 as the offensive coordinator and quarterbacks coach for the Arizona Cardinals, people said he looked like a software engineer, a kindergarten teacher or a bank executive.

Kitty Fassel, married to Jim for 27 years, knew better. "He is a wolf in sheep's clothing," she said. "Player beware."

THE PLAYERS learned early of Fassel's temper. Tardiness was inexcusable, even in the laid-back atmosphere of the spring minicamps. When the Giants lost their second exhibition game, Fassel hissed the team afterward, singling out players in front of their teammates.

Said one player: "I thought he was going to have a heart attack. Or make someone else have one."

Fassel's sister, Debbie, said: "We never saw Jim's temper. But I knew he wouldn't be walked on. Because this is very, very important to him. The thing with Jim is, he has a lot more than he looks like he has."

After 25 years as a coach, Fassel has a team with 10 victories in one season. That's a first. And the Giants are division champs for the first time since their 1990 Super Bowl season.

On Wednesday, Fassel received the highest honor in his profession. He already has the respect of his colleagues and the trust of his players.

"That's the part that my dad would have wanted to hear most," Debbie said. "More than the winning or the awards — that Jim's well-liked. My dad would have liked that."

Kurri Gives Himself Christmas Record

The Associated Press

Although he no longer plays alongside Wayne Gretzky, Jari Kurri joined his former teammate in an exclusive club.

Kurri, who played with Gretzky in Edmonton and Los Angeles, scored his 600th career goal Tuesday night, as Colorado Avalanche beat the Kings, 5-

1. It was the highlight of the last evening of games before the National Hockey League's brief Christmas break.

Kurri became the eighth player in NHL history to score 600 goals, and is 13 assists shy of becoming the sixth with 600 goals and 800 assists. The only other active players with 600 goals are Gret-

zky and Mike Gartner, while Gretzky is the lone active 600-800 member.

"It's a relief to get it over with," Kurri said. Kurri got his milestone goal by converting a cross-ice pass from Alexei Gusakov at 3:21 of the first period.

"That was a vintage Jari Kurri goal," said Marc Crawford, Colorado's coach.

Lame-Duck Jackson Fastest to No. 500

The Associated Press

CHICAGO — Phil Jackson reached 500 victories faster than any other coach in NBA history, then gave credit to just about everyone — even the owner and general manager who are asking him to leave the Chicago Bulls after this season.

"It's really a reflection on this team and this organization and the record-setting players," Jackson said Tuesday night after his Chicago Bulls beat the Los Angeles Clippers, 94-89, behind Dennis Rodman's 25 rebounds and Michael

Jordan's 27 points. It was the last evening of games before the National Basketball Association's holiday break.

"Motivation isn't something you teach players," Jackson said. "They have to bring that to the game themselves."

"This organization, Jerry Krause and his staff have found players that have that kind of motivation," Jackson added, referring to the Bulls' general manager.

In addition to earning No. 500 in his 682nd game — two games faster than the

Miami Heat's coach, Pat Riley, did — Jackson has coached the Bulls to five of the last seven NBA titles.

Nevertheless, he has agreed to step aside after this season at the request of Krause and the team's owner, Jerry Reinsdorf. "This is pretty much of a mutual agreement that we've made, Jerry Reinsdorf and I," Jackson said.

Jordan, however, thinks his coach is being pushed out the door. He reiterated his plan to retire if Jackson goes.

"It baffles me to understand that he's not welcome," Jordan said.

SCOREBOARD

BASKETBALL

MAJOR COLLEGE SCORES

Kansas 74, Southern California 69	North Carolina 75, American University 52
Florida State 84, Arizona 79	South Carolina 90, South Carolina State 15
Connecticut 72, Massachusetts 55	Iowa 61, St. Bonaventure 67
American U. 73, U. of Arkansas 59	Syracuse 67, Saint Louis 64
Texas Christian U., Iowa State 54	

NBA STANDINGS

EASTERN CONFERENCE

Team	W	L	Pct	GB
Atlanta	17	8	.680	—
New York	16	11	.593	2
Orlando	16	11	.593	2
New Jersey	14	11	.559	4
Boston	12	12	.500	6
Washington	14	14	.500	6
Philadelphia	6	19	.240	11

CENTRAL DIVISION

Team	W	L	Pct	GB
Chicago	17	9	.654	—
Cleveland	17	9	.654	—
Indiana	16	9	.615	1
Charlotte	16	10	.615	2
Detroit	13	15	.464	6
Atlanta	12	14	.462	6
Toronto	3	24	.115	11

WESTERN CONFERENCE

Team	W	L	Pct	GB
San Antonio	16	10	.615	—
Utah	16	10	.615	—
Minnesota	12	14	.462	4

FOOTBALL

MAJOR COLLEGE SCORES

Georgia Tech 38, Virginia Tech 10	Alabama 38, Auburn 10
Florida State 38, Clemson 10	South Carolina 38, Georgia 10
North Carolina 38, Wake Forest 10	Georgia Tech 38, Virginia Tech 10
Florida State 38, Clemson 10	Alabama 38, Auburn 10
South Carolina 38, Georgia 10	North Carolina 38, Wake Forest 10

NFL STANDINGS

EASTERN CONFERENCE

Team	W	L	T	Pct	GB
Buffalo	11	5	1	.688	—
Pittsburgh	11	5	1	.688	—
Cleveland	10	6	2	.619	1
Baltimore	10	6	2	.619	1
Indianapolis	9	7	3	.563	2
Washington	9	7	3	.563	2
Atlanta	8	8	4	.500	3
Philadelphia	7	9	5	.438	4
Carolina	6	10	6	.375	5
Dallas	5	11	7	.313	6
San Francisco	4	12	8	.250	7
Denver	3	13	9	.188	8
Seattle	2	14	10	.125	9
Arizona	1	15	11	.063	10
San Diego	1	15	11	.063	10
Los Angeles	0	16	12	.000	11

CENTRAL DIVISION

Team	W	L	T	Pct	GB
Chicago	11	5	1	.688	—
Indianapolis	10	6	2	.619	1
Baltimore	10	6	2	.619	1
Washington	9	7	3	.563	2
Atlanta	9	7	3	.563	2
Philadelphia	8	8	4	.500	3
Carolina	7	9	5	.438	4
Dallas	6	10	6	.375	5
San Francisco	5	11	7	.313	6
Denver	4	12	8	.250	7
Seattle	3	13	9	.188	8
Arizona	2	14	10	.125	9
San Diego	1	15	11	.063	10
Los Angeles	0	16	12	.000	11

WESTERN CONFERENCE

Team	W	L	T	Pct	GB
San Antonio	11	5	1	.688	—
Utah	11	5	1	.688	—
Minnesota	10	6	2	.619	1
Chicago	10	6	2	.619	1
Indianapolis	9	7	3	.563	2
Washington	9	7	3	.563	2
Atlanta	8	8	4	.500	3
Philadelphia	7	9	5	.438	4
Carolina	6	10	6	.375	5
Dallas	5	11	7	.313	6
San Francisco	4	12	8	.250	7
Denver	3	13	9	.188	8
Seattle	2	14	10	.125	9
Arizona	1	15	11	.063	10
San Diego	1	15	11	.063	10
Los Angeles	0	16	12	.000	11

FOOTBALL

MAJOR COLLEGE SCORES

Georgia Tech 38, Virginia Tech 10	Alabama 38, Auburn 10
Florida State 38, Clemson 10	South Carolina 38, Georgia 10
North Carolina 38, Wake Forest 10	Georgia Tech 38, Virginia Tech 10
Florida State 38, Clemson 10	Alabama 38, Auburn 10
South Carolina 38, Georgia 10	North Carolina 38, Wake Forest 10

NFL STANDINGS

EASTERN CONFERENCE

Team	W	L	T	Pct	GB
Buffalo	11	5	1	.688	—
Pittsburgh	11	5	1	.688	—
Cleveland	10	6	2	.619	1
Baltimore	10	6	2	.619	1
Indianapolis	9	7	3	.563	2
Washington	9	7	3	.563	2
Atlanta	8	8	4	.500	3
Philadelphia	7	9	5	.438	4
Carolina	6	10	6	.375	5
Dallas	5	11	7	.313	6
San Francisco	4	12	8	.250	7
Denver	3	13	9	.188	8
Seattle	2	14	10	.125	9
Arizona	1	15	11	.063	10
San Diego	1	15	11	.063	10
Los Angeles	0	16	12	.000	11

CENTRAL DIVISION

Team	W	L	T	Pct	GB
Chicago	11	5	1	.688	—
Indianapolis	10	6	2	.619	1
Baltimore	10	6	2	.619	1
Washington	9	7	3	.563	2
Atlanta	9	7	3	.563	2
Philadelphia	8	8	4	.500	3
Carolina	7	9	5	.438	4
Dallas	6	10	6	.375	5
San Francisco	5	11	7	.313	6
Denver	4	12	8	.250	7
Seattle	3	13	9	.188	8
Arizona	2	14	10	.125	9
San Diego	1	15	11	.063	10
Los Angeles	0	16	12	.000	11

WESTERN CONFERENCE

Team	W	L	T	Pct	GB
San Antonio	11	5	1	.688	—
Utah	11	5	1	.688	—
Minnesota	10	6	2	.619	1
Chicago	10	6	2	.619	1
Indianapolis	9	7	3	.563	2
Washington	9	7	3	.563	2
Atlanta	8	8	4	.500	3
Philadelphia	7	9	5	.438	4
Carolina	6	10	6	.375	5
Dallas	5	11	7	.313	6
San Francisco	4	12	8	.250	7
Denver	3	13	9	.188	8
Seattle	2	14	10	.125	9
Arizona	1	15	11	.063	10
San Diego	1	15	11	.063	10
Los Angeles	0	16	12	.000	11

FOOTBALL

MAJOR COLLEGE SCORES

Georgia Tech 38, Virginia Tech 10	Alabama 38, Auburn 10
Florida State 38, Clemson 10	South Carolina 38, Georgia 10
North Carolina 38, Wake Forest 10	Georgia Tech 38, Virginia Tech 10
Florida State 38, Clemson 10	Alabama 38, Auburn 10
South Carolina 38, Georgia 10	North Carolina 38, Wake Forest 10

NFL STANDINGS

EASTERN CONFERENCE

Team	W	L	T	Pct	GB
Buffalo	11	5	1	.688	—
Pittsburgh	11	5	1	.688	—
Cleveland	10	6	2	.619	1
Baltimore	10	6	2	.619	1
Indianapolis	9	7	3	.563	2
Washington	9	7	3	.563	2
Atlanta	8	8	4	.500	3
Philadelphia	7	9	5	.438	4
Carolina	6	10	6	.375	5
Dallas	5	11	7	.313	6
San Francisco	4	12	8	.250	7
Denver	3	13	9	.188	8
Seattle	2	14	10	.125	9
Arizona	1	15	11	.063	10
San Diego	1	15	11	.063	10
Los Angeles	0	16	12	.000	11

CENTRAL DIVISION

Team	W	L	T	Pct	GB
Chicago	11	5	1	.688	—
Indianapolis	10	6	2	.619	1
Baltimore	10	6	2	.619	1
Washington	9	7	3	.563	2
Atlanta	9	7	3	.563	2
Philadelphia	8	8	4	.500	3
Carolina	7	9	5	.438	4
Dallas	6	10	6	.375	5
San Francisco	5	11	7	.313	6
Denver	4	12	8	.250	7
Seattle	3	13	9	.188	8
Arizona	2	14	10	.125	9
San Diego	1	15	11	.063	10

POSTCARD

Look Who's Talking

By Paula Span
Washington Post Service

NEW YORK — Here in the City That Never Sleeps, we've grown accustomed to talking taxis. They're on your case as soon as you slide into your seat, nagging you — via a digital-chip "audio reminder device" — to buckle your seat belt. They bug you on your way out, too.

At first, the taxis spoke in a uniquely outer-borough blarney. Then they acquired celebrity voices: Dr. Ruth Westheimer reminds you not to leave stuff in the cab, and then squeals, "I'm glad we had this little talk." Joan Rivers compliments your fashion sense ("that color is you"). Eartha Kitt growls.

Now the city's buses are about to pipe up as well. The next batch of 350 new coaches, to be delivered next year, will sport their routes and destinations, both inside and outside, at every stop. Information, safety, fewer lost possessions — the agencies involved cite unassailable reasons for this increased jabber.

Just in time to keep drivers from uttering mad rants — a cabby listens to the same announcement all day — a dozen new stars will make their taxi debuts next month. The TLC, milking the suspense, has not yet divulged the replacements' names.

There's some evidence that the program is effective: Lost-property reports have dropped 20 percent since cabs started talking. Consumers calling with complaints are providing more detailed information, including cab numbers, which suggests that more are taking receipts. As for seat-belt use, the evidence is "anecdotal" but encouraging, Fromberg says. The mayor's office has launched a formal study.

The best-known belonged to Victoria Drakoulis of Queens, a secretary at Pulsar Technologies, who reminded people, in a distinctive honk, to take their "personal belongings." The TLC began bearing from fans who re-

lished her accent, critics who found it annoyingly stereotypical and bewildered visitors who had no idea what she was saying. The publisher of Taxi Talk, a trade paper, dubbed her "that yenta from hell."

On, then, to a professional voice-over actress. "Her stock in trade was the neutral, unaccented voice," says spokesman Allan Fromberg of the TLC, which mandated that all of New York's 12,187 medallion cabs use the new recording. It was intelligible, bland, a bit Midwestern (in these parts, not a compliment).

Last summer, the anonymous reminder gave way to name-brand voices. The commission recruited "people we thought would provide fun and be persuasive," to tape messages for both entering and exiting passengers. That led to cabs that sounded like the comedian Jackie Mason, Plácido Domingo, the Yankees' manager, Joe Torre, and the actor Judd Hirsch.

Just in time to keep drivers from uttering mad rants — a cabby listens to the same announcement all day — a dozen new stars will make their taxi debuts next month. The TLC, milking the suspense, has not yet divulged the replacements' names.

There's some evidence that the program is effective: Lost-property reports have dropped 20 percent since cabs started talking. Consumers calling with complaints are providing more detailed information, including cab numbers, which suggests that more are taking receipts. As for seat-belt use, the evidence is "anecdotal" but encouraging, Fromberg says. The mayor's office has launched a formal study.

The best-known belonged to Victoria Drakoulis of Queens, a secretary at Pulsar Technologies, who reminded people, in a distinctive honk, to take their "personal belongings." The TLC began bearing from fans who re-

Woody and Soon-Yi: Will It Play in Manhattan?

By Glenn Collins
New York Times Service

NEW YORK — But bow will it affect his career? This, rather than questions of ethical propriety or a spontaneous outpouring of wedding felicitations, seemed to be the most visceral reaction of many in New York — a city notorious for its career-driven populace — on learning that Woody Allen had married Soon-Yi Previn, the adopted daughter of his former lover, Mia Farrow.

Although the wedding of the 62-year-old Allen and the 27-year-old Previn took place in Venice, many spoke of it as a uniquely New York event. The marriage gave rise to video-store debate and street-corner speculation about what it would be like for Allen to have Mia Farrow as his mother-in-law.

Friends, naturally, portrayed the marriage positively. "This wedding will help his head as well as his career," said Elaine Kaufman, proprietor of the celebrity restaurant Elaine's, who has known the director for decades. "He's clearing up any question that anybody might have about Soon-Yi."

Allen "is happier than I've ever seen him," said Kaufman, who spent time with him several weeks ago when he shot a scene for his next movie, "Celebrity," at her restaurant.

But others were less charitable. "I think his film career is flitting with real trouble," said Raoul Lionel Felder, a Manhattan divorce lawyer. "People seem to have accepted the fact that the two were living together as one more sick relationship in a sick world. But now the idea of a wedding will infringe on moviegoers' sense of propriety." The marriage is Previn's first: Allen was previously married to Harlan Rosen and the actress Louise Lasser.

The couple were married in a private ceremony with a small group of friends and family members at Palazzo Cavalli, the Venice city hall, on Tuesday afternoon. Officiating was the city's bearded mayor, Massimo Cacciari, a published philosopher and intellectual gadabout who could easily be a character in a Woody Allen film. And now possibly will be.

After the wedding, the happy couple were hounded down the serpentine streets of the city by paparazzi and television crews, and then traveled on to Paris. "I have nothing much to say," Allen commented when their plane landed.

They were married Tuesday "because the timing felt right for them," said Leslie Dart, Allen's longtime publicity agent. "He's just finished a movie; she's ready to graduate." She added that Soon-Yi expected to receive a master's degree in special education from Columbia University in the spring.

Felder and others saw the decision to marry Soon-Yi as



Woody Allen and his wife, Soon-Yi Previn, taking a gondola ride in Venice.

evidence of a new, more publicly assertive Allen, as demonstrated in his newest film, "Deconstructing Harry." The movie is a brazenly autobiographical comedy in which the character played by Allen, the self-serving Harry Block, wreaks havoc among those around him. He is a far cry from Allen's traditional screen persona, the fey, self-deprecating schlemiel.

Allen's long-standing love affair with Previn seems to have coincided with his longstanding love affair with Venice. The city itself was a character in "Everyone Says I Love You." Allen's 1996 film. For the last five years or so, Allen has spent Christmas and New Year's there, and was for awhile rumored to be buying a palazzo on the Grand Canal.

"He has done a lot for the image of Venice," said Cristiano Chiarot, the press officer for the 18th-century Venice opera house there.

Chiarot said Allen and the mayor of Venice had become friends during restoration efforts for the Fenice, before its destruction by fire in January 1996. Allen threw himself into

the cause to raise money for the restoration. Soon-Yi was 8 years old when she was adopted by Farrow and the conductor Andre Previn during a trip to South Korea.

Farrow, who starred in many of Allen's films, was his companion for more than a decade, although, as Allen has pointed out, the couple never lived together and spent their nights at separate homes. In 1992, the relationship between her adopted daughter and Allen came to light when she discovered nude pictures of Previn, who was then 21, in Allen's apartment.

The messy aftermath centered on a bitter custody battle for Sachel, the biological son of Farrow and Allen, and their adopted daughter, Dylan.

During the custody case, Farrow accused Allen of fondling Dylan. Allen was cleared of all charges, but he was barred from unsupervised visits with the children, whose names have been changed to Seanus and Eliza.

John Springer, a spokesman for Farrow, said that "of course Mia wouldn't dignify this event with a comment."

The director's marriage to Previn has produced a convoluted skein of Allen-Farrow relationships that have echoes of family life in a L'il Abner cartoon. For example, two of Soon-Yi's siblings, Seanus and Eliza, have now become her stepchildren.

"After all the problems he's had with the Irish colleger, you'd think he'd go for a nice Jewish girl," said the comedian Phyllis Diller, who has known Allen for 35 years. "But no, he goes for the shiksa."

Moviegoers may be more willing to accept a married Allen, said former Mayor Edward I. Koch. "Like many, I had trouble with the fact that people thought that she was his unofficial stepdaughter," he said. "But with the passage of time, I don't feel that anymore. And I think this marriage will play well."

He added, "Who knows, maybe this marriage means that Woody Allen can get off the psychiatrist's couch."

Others offered chronological analysis. "She's too old for him," said Tony Randall, 77, who is currently starring in "The Sunshine Boys" on Broadway and whose wife, Heather, is 27.

"Will people care? Maybe," said Donni Aron, a Rabbinical student at Hebrew Union College strolling among holiday shoppers on West Fourth Street. "But not as much in New York."

Kaufman predicted that the marriage would last. But Felder was less sanguine about the future. "I think they're a little like the Duke and Duchess of Windsor," he said. "They're basically trapped with each other, and they'll forever be drifting through time."

JAZZ

William Collins Can't Escape His Bootsy Alter Ego

By Mike Zwerin
International Herald Tribune

PARIS — Bootsy's back. He never really went anywhere, but... well, he's back. Long-tall Bootsy, né William Collins with his famous star-shaped and studded eyeglasses, tried to run from his alias.

And those silly stage-prop glasses somehow became a part of his everyday face. He could not leave them to be stifled rather than protected by his cool, successful persona. It took him years to learn how not to be Bootsy.

Forty-three now, Bootsy joined

Those silly stage-prop glasses somehow became a part of his everyday face.

James Brown, "The Godfather of Soul" at the age of 16. Then he played with George Clinton and Parliament Funkadelic with all its legendary offshoots like P. Funk to say nothing of Bootsy's Rubber Band.

He had a lot to do with developing the slap technique on the bass guitar, making style out of distortion. But this funk revolutionary almost blew it. He resembles both of them in vocal texture and in other ways.

There's a song with the title "In Funk We Trust" on his new album "Fresh Outta 'P' University" (WEA), his first in six years. Funk is a word he learned he could trust, although it's about 50 percent show-biz by now (which is to some degree his own fault).

As a teenager he was already a studio shark in his native Cincinnati. He backed up a lot of soul music acts on the King Record roster. James Brown, who was often in Cincinnati producing records of his own, learned about Bootsy and when all of a sudden

he was in urgent need of a bass player in Columbus, Georgia, he flew him down.

Bootsy joined Maceo Parker, Fred Wesley and the others backing up JB who had replaced a band called the Dapps. Brown with his usual savvy, named them the New Dapps.

They're all stars in their own right now, particularly Parker. The name Maceo is in vogue in maternity wards — Lieutenant Fancy of "NYPD Blue" took care of a boy named Maceo; there's a restaurant in Paris named Maceo. (As yet, there are no reports of a boom in Bootsy.) Today's younger bands and rappers often sound like and sample them. Their licks have become so immortal that Bootsy finds himself sampling himself, which is kind of like robbing money from one pocket to another.

Brown was authoritarian, big-time. His sidemen were fired for klinkers, unpressed suits and unshined shoes. Bootsy was still a rebellious teenager, there was bound to be trouble sooner or later. He was always trying to please this hard-to-please father figure. JB would talk about "you can't do this, you got to do that. Why don't you straighten up?"

Now Bootsy can look back and understand that the discipline was probably good for him; he had no father at home. But he did not see it that way then. "Show up on time, keep yourself clean, smile..." Enough, already. Bootsy has referred to his days with Brown as "my acid days." One night he took a trip just before curtain time. That was asking for it. Well, it was time to move on anyway. He wanted to make the music that was called Psychedelic rather than soul music. He shared an interest in psychedelia with Hendrix and Stone.

Fortunately, he met George Clinton, who also shared such an interest but knew how to keep it under control and how to fashion it creatively. He had learned how to please large largely white audiences. P. Funk explored new heights and broke records. Like the Grateful Dead and Sun Ra,



Bootsy Collins in full regalia.

they were a commune as much as a performing band.

"Wow!" Bootsy exclaims (often). "George was great. I finally had somebody I could get stupid with. Somebody to freak out with girls with. George would say to me, 'What do you feel like doing today?' I'd say something like 'I feel like playing drums.' And that would be just fine."

Bootsy told New York Times: "Funk was a bad word when George and I came up with the first stuff. Wasn't too many people talking about funk. It was almost illegal to say it on the air. It was kinda rowdy."

The word "funk" sounds as though it ought to be illegal somehow. And the sound is as much of a statement as the meaning, which is still up

for discussion. The meaning can be pretty much wherever the sound takes you.

By 1984, he got "really tired of being this Bootsy cat. It started eating me up. Wow! I couldn't just put on a pair of jeans and a T-shirt and go down to the store. People would recognize me. On the one hand it's nice to be recognized, you know, but it got to be just too much."

"I wanted to stop for awhile, chill out, but everybody seemed to have a part of me. They wanted me to go on being Bootsy. I wanted to be a regular guy, a musician like the other guys. But I didn't know how. I'd been a 'personality' since I was 16. It wasn't fatigue. Call it by its real name. Burnout. Total burnout."

He began to turn down \$100,000 stadium concerts. His people asked him: "Are you crazy?" Nobody seemed to understand: "It had me talking to myself. It was sure lonely out there."

"When you don't know what to do," his mother advised him, "just stop for awhile. Do nothing. And William, you're in the house now. You can take those glasses off."

So he disappeared into the recording studios. With their nature, often in out-of-the-way places with working hours often late at night, it can be said that the disappearance was physical as well as figurative.

He worked with the respected producer Bill Laswell — recording with people like Cyndi Lauper, Herbie Hancock and Ryuichi Sakamoto. And there was now time to experiment on his own. He broadened his point of view. These were "real sessions with real people," and they often ended with music-talk over breakfast. William Collins learned how to get away from "this Bootsy cat."

After awhile, however, he began to miss the big crowds and the excitement and the big money that comes with being in a popular traveling band. He longed for the fury of the road again. Anonymity, it turns out, goes only so far. So, Bootsy's back.

PEOPLE

FAME may not be fleeting at Hollywood's Chinese Theater, but it definitely moves around. Michael Keaton's hand and footprints were recorded in concrete in the famous Plaza of the Stars at the time of "Batman 2." He was put next to the box office, near where Douglas Fairbanks and Norma Talmadge left their marks in 1927, when the theater opened. Then he was moved when Tom Cruise joined the club after "The Firm." Now he has been relocated again, to make room for Mel Gibson, and moved to the back of the theater. It could be worse — his new neighbors are Marilyn Monroe and Jane Russell.

The two sons of Diana, Princess of Wales, attended church on Christmas Day with their father and listened to the priest pray tribute to their mother and other "loved ones" who had died. Prince William, 15, and Prince Harry, 13, joined 14 other members of the royal family at the parish church at Sandringham — where their mother was christened. The princes walked to the church from the Norfolk estate of their grandmother, Queen Elizabeth II, where they are spending the holidays. More than a thousand well wishers showered the princes with Christmas presents, candy and flowers. During the service, relayed to people outside by loudspeakers, Canon George Hall told the congregation: "We thank God for Diana, Princess of Wales, and for all our loved ones who have departed this life." Diana was killed in a Paris car crash on Aug. 31.

It's bonus time, and the board of the Walt Disney Co. has thrown another \$2 million at Michael Eisner, boosting the chairman and chief executive's total pay for the year to \$10.65 million. This does not count his recent exercising of stock options on 7.3 million Disney shares worth \$565 million. Eisner's bonus rose in 1997 from \$7.9 million to \$9.9 million, part of a pay package tied closely to company performance. Under Eisner, Disney revenues have grown from \$1.7 billion in 1984 to more than \$22 billion in fiscal 1997.



YULETIDE IN TUZLA — Mary Chapin Carpenter performing for an audience of a thousand American peacekeeping troops at Eagle Base near Tuzla, Bosnia.

with net income of nearly \$2 billion. Under his new contract, the 55-year-old Eisner has options on an additional 8 million shares. His base salary remains \$750,000 per year.

Paul Newman is donating \$500,000 to help preserve land in Easton, Connecticut, that developers want for a golf course. The actor, who lives in neighboring Westport, said the money would come from his Newman's Own food products. At issue is a tract owned by a water utility that National Fairways Inc. wants to buy and turn into an 18-hole course with 103 luxury condominiums. "I've liked this land," Newman told the zoning board. "I think the developers are being very shortsighted. Fifty years from now, the people who worked to save this land will be remembered as heroes." Preservationists hope to buy the land for \$10 million.

Paris has its Avenue Winston Churchill, and one day it may get a statue of Britain's wartime prime minister on the same site, near the Petit Palais, between the Champs-Élysées and the Seine. President Jacques Chirac has asked Pierre Messmer, a former prime minister, to head a committee to raise funds for a statue by Jean Cadot.

Every country has its own AT&T Access Number

which makes calling home or to other countries

really easy. Just dial the AT&T Access Number for

the country you're calling from and you'll get the

clearest connections home. Now you can charge

your calls on any of the credit cards shown, as

well as on your AT&T Calling Card. And when you

use AT&T, you can avoid outrageous phone charges

on your hotel bill and save up to 60%.* Check the

list for AT&T Access Numbers.



Steps to follow for easy calling worldwide:

1. Just dial the AT&T Access Number for the country you are calling from.
2. Dial the phone number you're calling.
3. Dial your card number.

Can't find the Access Number for the country you're calling from? Just ask any operator for AT&T Direct* Service, or visit our Web site at <http://www.att.com/traveler>

It's all within your reach.



AT&T Access Numbers

EUROPE

Austria	022-903-011
Belgium	0-800-100-10
France	0-800-99-0011
Germany	0130-0010
Greece	00-800-1311
Ireland	1-800-550-000
Italy	172-1011
Netherlands	0800-012-9111
Russia	755-5042
Spain	900-99-00-11
Sweden	020-775-411
Switzerland	0800-89-0011
United Kingdom	0800-89-0011

MIDDLE EAST

Egypt (Cairo)	510-0200
Israel	177-100-2727
Saudi Arabia	1-800-10

AFRICA

Ghana	0191
South Africa	0-800-99-0123



Not for all the tea in 10811.

*Compared to certain hotel telephone charges based on calls to the U.S. in November 1996. Actual savings may be higher or lower depending upon your billing method, time of day, length of call, fees charged by hotel and the country from which you are calling. Credit card calling subject to availability. Payment terms subject to your credit card agreement. Both-based countries permit country-to-country calling using the U.S. Collect calling is available to the U.S. only. Country-to-country rates consist of the cost of a call to the U.S. plus an additional charge based on the country you are calling. You can call the U.S. from all countries listed above. Collect calls require local coin payment during the call. Collecting available to designated countries only. A limited availability. *Phone deposit, 10¢ "02" line, outside China. Additional charges apply outside Moscow. © Use U.S. access number in N. Ireland. ©1997 AT&T

AT&T